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# ***JPRS Report—***

## **Africa *(Sub-Saharan)***

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13 AUGUST 1987

## AFRICA (SUB-SAHARA)

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## POWERFUL ASIAN BUSINESS LEADERS BEGIN TO FEEL 'JITTERS'

London AFRICA CONFIDENTIAL in English 24 Jun 87 pp 5-7

[Text]

The record low hit by the Kenya shilling on the Nairobi black market continues to reflect the crisis of confidence felt amongst the powerful Asian business community. Asian jitters began with the resignation of a prominent member of their community, Acting Chief Justice **Channi Madan**, last December and really started to make themselves felt by March, with the slide of the shilling. The currency which, during the presidency of **Jomo Kenyatta**, used to be known as the Swiss franc of Africa had reached an unprecedentedly low rate of K.Shs.24 to the U.S. dollar by the second half of June. The official *Central Bank of Kenya* rate was hovering around K.Shs.15-16 to the dollar.

In a predominantly Asian-controlled black market, the rate is a faithful barometer of the Asian mood and reflects not only economic expectations but also political hopes and fears. Today, the national currency stands lower than it did during the panic year of 1972, when former **Ugandan** dictator, **Idi Amin Dada** expelled his Asian businessmen en masse.

The present crisis of confidence is a mirror of the Asians' negative reassessment of whether President **Daniel arap Moi** can control the increasingly vehement opposition by the country's largest group, the Kikuyu, to his own Kikuyu-dominated government. It also reflects divisions in the Asian community itself about how to react to the situation. The divisions have surfaced following Channi Madan's resignation over the independence of the judiciary.

Madan had been appointed by Moi himself following the resignation of the European Chief Justice Sir **James Wicks** after an enquiry into Constitutional Affairs Minister **Charles Njonjo**. But Madan lost the goodwill of the president almost immediately by acquitting Moi's arch-enemy **Stanley Githinguri** in

mid-1986 on currency smuggling charges. If there is one man in Kenya whom Moi has cause to hate and fear, both for personal reasons and as a potential future Kikuyu president, it is Githinguri. This former chairman of the *National Bank of Kenya* was close to both Kenyatta and Moi's arch-rival, Njonjo.

Githinguri's sensational acquittal served as a clear public message that the Asian community would not allow itself to be used as a political pawn in Moi's struggle against the Kikuyu. Indeed, it was also a signal that the Asians wanted to distance themselves from a regime that they perceived as increasingly vulnerable. The relationship between Moi and the Asians has been close and mutually advantageous. Despite stringent currency controls introduced after independence to stop the flight of Asian and European capital, the Moi government has turned a blind eye to blatant infringements by an Asian community with which it enjoys close relations.

As a result, Nairobi's flourishing black market in dollars, sterling and Indian rupees operates before the very eyes of the Kenyan central bank authorities. Scene of all this activity is the appropriately-named Biashara Street, a name that means 'trading' and has been changed from the equally graphic 'Indian Bazaar Street'. So freely has this illegal market been allowed to operate that, in spite of the theoretically stringent exchange control laws, the Kenya shilling has become in fact more easily exchangeable than virtually any other currency on the continent. Daily quotations for sterling and dollars are available by phone from a dozen or so major Asian trading houses. Asians in Kenya are conscious that they constitute not only a highly privileged ethnic minority but also a particularly visible one. Numbering some 60,000, they constitute less than one half of one per cent of the population. Yet they control

over 70% of the lucrative urban retail trade and a disproportionately high share of the Gross National Product. Every Asian family is aware of how intensely their community is hated among an African population of about 18 million with whom its degree of integration has been almost non-existent.

Thus the Asian community suffers an acute fear of the kind of instability which the ever-present risk of a change of régime might bring, and with it, the possibility of a government less favourably disposed towards this privileged minority. Having convinced themselves that they will one day be forced to leave Kenya, Asians keep most of their wealth abroad, in Britain, the United States or India. They operate their lucrative enterprises in Kenya largely on borrowed money. Hence the importance of the black market as an indicator both of the perceived risk of the regime being overthrown and of a change in the government's policy of close business accommodation with the Asians at the political cost of mass unpopularity.

To the average Kenyan, the Asians appear both as economic exploiters and as unpatriotic opportunists whose only interest in Kenya is as a wealth-generating machine. Politicians, too, have accused the Asians of keeping one foot in Kenya and one abroad, notably Vice-President Mwai Kibaki, who is becoming increasingly estranged from the Kalenjin-dominated government.

Integration has become an ever-present and potentially explosive issue. The government as a whole has vacillated between closing the issue and allowing it to be re-opened at judiciously-timed intervals. Following Justice Madan's estrangement from Moi, the scales have again been tipped in favour of the re-opening of the integration debate and this, too, has affected the black market rate for the shilling.

Madan's resignation is the first serious quarrel in Moi's Asian honeymoon. The president had consistently been a patron of the Asian business community since Njonjo's fall from grace in 1983. This is one reason why Moi has always been prepared to bend over backwards to appease the community and win its favour.

It seems, therefore, that the president is keen to use his economic relations with the Asians as a political weapon against the Kikuyu, who not only constitute the largest ethnic group but whose oligarchy is the largest African factor in the control of the country's economy. The president is apparently aware that, if opposition to his regime should grow to the point of active resistance, then Kikuyu businessmen could, if they wished, bring the economy to a standstill within the space of a few months. The president has therefore come to view his relationship with the Asian business community as a coun-

terweight to Kikuyu economic power. For the Asians control more of the country's finance than does the whole African population. Thus Moi is eager to use his Asian card as a public and visible warning to his Kikuyu opponents.

However, Moi's confidence in the Asian community may not be echoed by Asian confidence in his staying power. Asian leaders are increasingly concerned about being identified with the Moi régime in the eventuality of his departure from power, especially if the succession passes to the Kikuyu oligarchy. The Asians have been constantly close to Moi's struggle with the Kikuyu. Justice Madan in fact came into the public eye when Moi appointed him as one of the three commissioners on the public enquiry into Charles Njonjo's affairs. The political nature of the enquiry became obvious when Moi accused Njonjo of conspiring to replace him as president. The enquiry thereby ended the immediate threat to Moi from the Kikuyu and their most powerful challenger to his power.

The surprise appointment of an Asian judge to what was an overtly political trial was seen as a reassurance to the Asian community that it would not be made to suffer for its previous support for Njonjo as the patron of the Asian and European minorities. It was also an invitation to switch Asian financial support, in the form of Harambee Fund handouts, not only from Njonjo to Moi but also away from Njonjo's natural Kikuyu heir, Vice-President Kibaki. The Njonjo affair, far from boosting Kibaki's position, dramatically reduced his mass appeal among the Kikuyu, who largely considered that he had sold out to Moi. This did nothing for his chances as Moi's successor.

Moi, who had previously bitterly and publicly attacked Asians as the source of all evil and corruption in Kenya, performed a complete about-turn. In a humiliation of African pride unthinkable in the Kenyatta years, he accused Africans of the same sins. And to secure Asian financial weight as a political weapon against Kikuyu economic power - until it could be eroded sufficiently to stop it being a threat - he began to defend Asian interests with even greater enthusiasm than had Charles Njonjo.

Though the local press, including that controlled by the ruling *Kenya African National Union* (KANU), has estimated that Asians illegally hold over £2,500 million abroad - five times the country's official foreign exchange reserves - since Moi's rapprochement with the Asian community few if any

## KENYA'S MONEY MARKET

The government has enormous power to make or break financial institutions by virtue of the fact that the Kenyan money market is dominated by the state. State-controlled monopolies, co-operatives and local authorities control 80% of funds disposable in the market. The remaining 20% is controlled by foreign and Kenyan Asian companies, leaving other Kenyans with virtually no share. Even rich Kenyans are for all practical purposes net borrowers. The failed Kenyan-owned banks were seriously under-capitalised which further reduced their staying-power in the face of government hostility to them.

In these circumstances, the government can embarrass financial institutions it disfavours by playing the money markets, especially by blocking new deposits to out-of-favour banks and demanding repayment of deposits already placed with such institutions.

As is normal banking practice, any deposits collected are converted into loans repayable over a period ranging between three and five years, or exceptionally ten. So any premature calling-in of debts can leave banks with a cash shortage. Moreover since the state controls the money market, it can prevent firms from borrowing. Failed banks are placed in the hands of the receiver.

The government can ensure that funds from state-controlled institutions are deposited with banks and institutions which it favours. Such sensitive funds from the National Social Security Fund (NSSF) and the National Hospital Insurance Fund (NHIF) are reportedly channelled through the *Kenya Commercial Bank* and the *National Bank of Kenya*, both being Kenya government banks whose chairmen are government appointees.

Asians have been prosecuted for exchange control offences. Yet prosecutions for alleged offences have put paid to the careers of dissident African politicians, such as **Warihu Kanja**, and the law was ruthlessly enforced against Githinguri.

The former acting managing editor of the KANU-controlled *Kenya Times*, **Mitch Odero**, (since dismissed for giving an unauthorised interview to the *British Broadcasting Corporation*), suddenly halted the publication of a series of no fewer than 38 articles on how Asians smuggle wealth out of Kenya. The series stopped abruptly at smuggling method number three. So substantial is the outflow of Kenya-generated wealth that even the *International Monetary Fund* (IMF) has repeatedly drawn the attention of the Treasury to the contradiction between the flight of several hundred million dollars annually

and Kenya's heavy hard currency borrowing on overseas markets.

The press has openly suggested that the source of foreign currency leakage could be traced to officials within the central bank itself, since it has to authorise all import licences. The over-invoicing of the dollar value of imports is a major mechanism for transferring foreign exchange from the Kenyan Treasury to Asian private bank accounts abroad. African, and particularly Kikuyu, politicians have been prosecuted for sums that seem trifling in comparison with the huge sums exchanged on the Asian-controlled black market. Furthermore, the Asians continue to be allowed to run their own bank, the *Biashara Bank of Kenya*, appropriately named after the famous trading street. By ensuring that Asian profits retained in Kenya are available to Asian businessmen, the bank enables Asians to keep a minimal amount of working capital within the country.

Now this financial security seems less certain in the wake of the Madan resignation, an event that has done more to damage Asian confidence than even the August 1986 banking crisis. The bank collapse discredited several Kikuyu opponents of the government without raising either a furore overseas or the hostility of the Kikuyu masses. But the humiliation of Moi caused by Githinguri's acquittal has made the former banker the focus and, indeed, the heir to the leadership, of Kikuyu opposition to the regime. The acquittal was widely understood as a refusal by the Asian community to further antagonise the Kikuyu and to create a visible distance between Asians and the president, who is judged to be dragging the government into an outright confrontation with the Kikuyu. The latter dominated the country politically from independence until Njonjo's downfall in 1983. The fact that Moi has succeeded in placing Kalenjin supporters, many without previous political or administrative experience, into key posts in the cabinet, the security organisations and the civil service as a whole, has not convinced Asians of his ability to withstand a determined Kikuyu onslaught. For the Asians, the vision of a Kikuyu victory raises the spectre of expulsion and financial ruin. Hence the reversal of their previous stance of being publicly seen to be close to the president as a protection from mass anti-Asian sentiment.

But if the Asian community doubts the wisdom of continuing to put all its political eggs into one basket, divisions have appeared about future positions. On the one hand, the 'Madan reformists' want to open up a channel of communication with the Kikuyu, even if this is at the expense of relations with Moi. On the other hand stand those whose fortunes are now so closely linked to the president's

future, that it seems too late for them to change direction.

No longer able to take Asian support for granted, Moi is belatedly responding to what he may correctly see as Asian opportunism, and an apparent willingness to ditch him. The government is again allowing the suppressed integration debate to be reopened. The Moi regime seems at last to be waking up to the realisation that its public image of being in the pockets of Asian businessmen is gravely affecting both its popularity and its credibility. Furthermore, it is beginning to realise that the Asian support for Githinguri has given the Kikuyu a vital card: a leader to unite behind. But this will not reassure the Asian community much more than it will Moi, and Asian uncertainty, as reflected in the de facto devaluation of the shilling, is likely to continue ●

#### BANAS

The national banks may re-deposit with private banks, which include the following:

*Trade Bank Ltd.*

*Lima Finance Ltd.*

*Nairobi Building Society*

*First American Bank of Kenya*

*First American Finance of Kenya*

*Commercial Bank of Africa Ltd.*

*Equatorial Finance Ltd.*

*Transnational Finance Ltd.*

*Transnational Bank*

*Credit Bank of Kenya*

*International Finance Ltd.*

According to our scorecard, the following banks were closed between December 1984 and October 1986:

*Rural Urban Credit Finance Ltd.*

*Continental Bank of Kenya Ltd.*

*Continental Credit Finance Ltd.*

*Jimba Credit Finance Ltd.*

*Union Bank of Kenya Ltd.*

*Kenya Savings and Mortgages Ltd.*

*Pioneer Building Society*

*Capital Finance Ltd.*

Two others are not operating:

*Nationwide Credit Finance.*

*Business Finance.*

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CSO: 3400/133

LIBERIA

RESTORATION OF SOVIET-LIBERIAN RELATIONS WELCOMED

Monrovia DAILY OBSERVER in English 22 May 87 p 4

[Editorial: "Cementing Soviet-Liberian Ties"]

[Text]

A NEW CHAPTER in Soviet-Liberia relations was opened this week when the Foreign Minister of Liberia, Dr. J. Bernard Blamo, received the Soviet Envoy and Charge d'affaires of the Soviet Embassy near Monrovia.

IN THEIR EXCHANGE of greetings, the representatives of the two governments underlined the importance of beginning a new chapter and "forgetting the past". Indeed, the Soviet Charge d'Affaires was more direct when he declared, "set-backs in our relations are unfortunate, but let by-gones be by-gones. We are starting from zero".

THE RELATIONS BETWEEN Liberia and the Soviet Union in the five years before they were broken off two years ago, were, to say the least, topsy-turvy. Soviet diplomats were constantly accused of interference in the internal affairs of this country, or of engaging in activities incompatible with their status. On several occasions the government ordered the expulsion of Soviet diplomats and on two occasions requested the diplomatic staff to be kept at a minimum of not more than six. The climax came two years ago when the government broke off relations and ordered all the Soviet diplomats, including the Ambassador, out of the country. The Soviet Union retaliated by ordering our Embassy in Moscow closed.

WE EXPECT THAT during the two year closure both governments have had time to think over their relations and have been able to formulate a type of policy that would further the promotion of friendly relations between the two peoples and governments.

THE "NEW CHAPTER" referred to by both the Liberian Foreign Minister and the Soviet Charge d'Affaires should be significant in the light of the "wind of

"change" now blowing through the Soviet Union due to the policy of reforms initiated by the new Leader and Communist Party General Secretary Mikhail Gorbachev.

WE EXPECT MEASURES of those reforms to be reflected in the attitude and behaviour of Soviet diplomats residing here. We welcome their policy of "openness" and we look forward to seeing a greater measure of freedom exercised by the people of the Soviet Union than was in the past.

WE, IN LIBERIA, have our suspicions and our traditional attitudes regarding certain ideologies and peoples from certain parts of the globe. We expect the Soviets to study our cultural differences and appreciate them; study our way of life, study our heritage and appreciate them. The world is made beautiful by these differences; to change them is to upset the balance of nature.

IN ANNOUNCING THE resumption of diplomatic ties with the Soviet Union, President Samuel Doe said this would truly fulfill Liberia's role as a non-aligned nation. Being non-aligned, we should, with caution, accord our Soviet friends that degree of "openness" which our friendship deserves for the promotion of better relations. We should make them feel at home even though we may not seek to be ideological bedfellows. However, with both Super-powers represented in our capital we could gain much from their presence and their friendship. The hand of friendship should also be characterized more by a degree of tolerance, constraint and acceptance than by suspicion and fear.

WE EXPECT THAT this new chapter, made manifest by the re-opening of the Soviet Mission in Monrovia, will see the relations between Liberia and the Soviets develop in an atmosphere bereft of suspicion and behind-the-scenes activities. The word in the Soviet Union today is "Glosnits" and so we welcome this new chapter with "openness".

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CSO: 3400/395

## PAPER QUESTIONS THREAT TO SOVEREIGNTY BY AMERICAN EXPERTS

Monrovia NEW LIBERIAN in English 1 Jun 87 pp 1, 4

[Commentary by Bill Frank: "Is Liberian's Sovereignty Really At Stake?"]

[Text]

Some of us who make a living, by writing for a competitive international market, and must therefore be substantively objective and balanced in order to sell, are finding it difficult to grasp the logic by which Liberia's sovereignty may be considered to be at stake because she has asked for help from America to straighten out the economy.

One question that comes to mind immediately is: What, if the American experts were to be coming under the label of, say, SAV?

There is scarcely any evidence anywhere to suggest that the heavy involvement of American experts in the development process of Liberia is new. To the contrary, the trend is practically traditional.

Even after Liberia's critical economic problems of the early and mid 1900's had subsided, and the Open Door Policy of President Tulman had begun to bring in relative economic boom, the assistance of American experts continued to be sought, without any question of the surrender of sovereignty.  
EXAMPLES:

The Liberian-American Joint Commission for Economic Development, headed by Counsellor Emmett Harmon, existed for many years until, I believe, 1980.

At least the signboard was hanging there until this time.

Then there was the Special Commission on Government Operations which was almost entirely an American operation.

The team which did the study that produced the controversial book, "Growth Without Development," lampooning the Tubman administration, was entirely an American team of economists from Northwestern University, led by Dr. Robert Clower. Liberians agitating for reforms often used the book to reinforce their positions. Incidentally, and ironically, it is some of those same Liberians who seem to now suddenly discover a huge skeleton in the cupboard about American experts involvement in Liberia.

When President Doe was Chairman of the People's Redemption Council and visited the United States of America, he requested directly from President Reagan the assistance of U.S. Agricultural experts to come and study and advise his government on ways and means of improving the agricultural sector.

A mission was despatched here; it did a brief study and submitted a report. If, and how that report has been put to use is another matter. But here there was no question of sovereignty involved, and there was no question of Liberia not having agricultural experts either.

Past documents and publications dating decades back are replete with evidence of the strong presence of American advisers in several aspects of the nation's development efforts. Whether or not such assistance has often produced the desired results is, again, another matter; but there has scarcely been any question about the surrender of sovereignty.

If, in the critical circumstances in which Liberia finds herself today the assistance of American advisers and managers is desired, as had been done in the past, the issue of surrendering sovereignty here sounds far-fetched. No?

Nevertheless, there might well be some validity to the issue of sovereignty here, because economic decisions often have political dimensions which should not be ignored-and vice versa.

However, because the very survival of a nation depends very much on some basic degree of economic sanity, that degree of sanity must be established before the give-and-take of political fortune can begin to

*even make sense to the mass of the people who are expected to tip the political scales one way or another.*

*Liberia has slipped - somewhat consciously - into rather very difficult times. That's a settled issue. Where we came from, and how we got where we are, makes useful background - but only for future action. Any time, energies and resourcefulness that we have left would be better invested in pulling ourselves out of the critical times than on sulking over spilled milk. The piece of Chinese folk wisdom that "when a creek has become a river, it is better to make the best use of the river than to bemoan the loss of the creek," makes a lot of sense.*

*It is in times like these that we should become more keenly aware that in difficulties lie some marvelous blessings in disguise. In crisis always lies opportunity; and in great crises lie great opportunities. The present crisis in which the country finds itself may well be its greatest opportunity for a long-desired transformation. We have to try to look less at the clouds and more at the silver linings.*

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CSO: 3400/395

## FINANCE MINISTRY ANNOUNCES 8-POINT ECONOMIC RECOVERY PROGRAM

Monrovia DAILY OBSERVER in English 18 May 87 pp 1, 9

### [Text]

The Finance Ministry has unfurled an 8-point programme of action designed to restore "fiscal discipline" and achieve economic recovery, according to Finance Minister John Bestman who made the disclosure last weekend at a luncheon he held for the press.

The action programme is also buttressed by three committees within the Finance Ministry to assist in the drive "towards fiscal discipline." The committees are: Committee on Revenue and Related Matters, Committee on Expenditure Control, and the Committee on Concession and Private Sector. Each committee is headed by a deputy minister of the ministry with existing experts in the ministry as members.

The move by the ministry, according to observers, is seen as a step towards setting the nation's economic house in order which could likely obviate the coming of the 17 experts, whose arrival is pending legislative approval.

When it was suggested to Minister Bestman at the press conference that his 8-point action programme could nullify the need for the experts, he replied, "We told them all along that we have qualified people to do the job." However, he pointed out that the experts are expected in two months' time.

Salient features of the plan are:  
All Government expenditures must be within the limit of the approved budget.

No extra budgetary expenditures will be allowed.

Payment of salaries must have highest priority in disbursement of GOL funds.

No contract will be undertaken or signed unless the appropriate fundings have been first secured in the budget. Definitely, there will be no pre-financing of GOL contracts.

Government procurement must be in direct consonance with the centralized purchasing system under the General Services Agency (GSA) and on competitive basis. Procurement of military hardware will be the only exception to this requirement. No vendor, supplier or contractor will be permitted to overcharge the Government.

All taxpayers must meet their tax obligations to Government and on time. Officials of Government are no exception.

Our war must eliminate waste in Government and use of the scarce resources must be prioritized with a view to delivering the basic services expected of Government.

Anyone caught conniving with the intent to fraud Government will be considered enemy of the Liberian people and will be treated accordingly.

The Minister reassured the public that there is no intention on the part of the Executive Government to impose additional tax burden on the people. "Instead, we will work towards lessening the tax burden on our people," he declared. Meanwhile, the Revenue and Related Matters committee will review existing revenue and finance laws and regulations to see whether they are still conducive to present day realities and to recommend

measures that would improve the revenue situation.

The Committee on Private Sector will deal with granting of incentives to concessions and business houses in Liberia. It will analyze and determine the cost and benefit to the Liberian people of fiscal incentives granted investors and ascertain as to whether investors are operating in accordance with the terms of their concession agreements or investment incentives contracts.

Committee on Expenditure Control which is under the chairmanship of Minister Thomas Hanson is in charge of the responsibility of devising measures to control expenditures so that the government can operate conveniently within its approved budget.

The Minister made it clear that the government is aware of cer-

tain fraudulent practices in vogue among business houses and some government employees, and he warned that if they are caught in their practices during the verification period, they would be charged and prosecuted.

The Minister again re-echoed the warning of the President concerning the monetary system and the need to keep money in the banks. "This is a serious note of caution", he declared. "Government does not want to be blamed if and when businesses and individuals wake up one morning and find their money worthless, just because it was not deposited with the banking system."

Asked about the Brook Amendment, the Minister assured the press that government is doing everything to meet its obligation under the Brook Amendment. Payment will be made this month in order to keep within the limit, he said.

/13046  
CSO: 3400/395

MINISTER WARNS EXPORTERS ABOUT 25-PERCENT LEVY

Monrovia NEW LIBERIAN in English 18 May 87 pp 1, 5

[Article by Joseph Teh]

[Text]

Finance Minister John G. Bestman bluntly warned Friday during a press luncheon that government would take stringent measures against any exporter who fails to surrender 25 percent of their off-shore earnings to the National Bank of Liberia, in keeping with an earlier government proclamation.

Without saying what measure would be taken, Minister Bestman said government's anticipated projection of \$17m could not be realized because of some exporters' failure to comply with the 25 percent surrender Act.

Presently, the scheme has yielded only \$11m with \$6m still outstanding, according to Finance Minister Bestman.

The 25 percent surrender Act is a government policy requiring all export oriented entities to surrender 25 percent of their off-shore earnings to the National Bank of Liberia to ease the liquidity crisis that rocked the nation for almost four years now.

Mr. Bestman also unveiled several other policy measures now being pursued by the Finance Ministry as part of government efforts to bring about speedy economic recovery.

Among the measures is the setting up of working committees on revenues and related matters, expenditures control and concessions and private sector to ensure fiscal

discipline and proper economic management.

Augmenting the work of these committees is an eight-point action program which calls for the elimination of waste in government spending; centralized procurement system, making salaries current and the regular payment of taxes owed government by tax payers.

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JUSTICE DEPARTMENT CRITICIZED FOR CURRENT STATE OF ECONOMY

Monrovia DAILY STAR in English 28 May 87 pp 1, 7

[Article by Taana Y. Wolokollie]

[Text]

The Movement for Justice in Africa (MOJA) and former Liberia's Foreign Minister under the People's Redemption Council (PRC) government, Mr. G. Baccus Matthews have come under strong attack for the present downward trend of the nation's economy.

Making the attack yesterday in an exclusive interview with the DAILY STAR, a senior advisor of the United People's Party (UPP) Margibi County branch, Mr. Joseph R. Bargilo said following the April 12, 1980 coup, top executive of MOJA, together with Mr. Matthew (then chairman of the defunct Progressive People's Party) were invited by the then Chairman of the PRC, now President, Samuel Kanyon Doe to discuss and recommend how best the economy of this country could be handled in the interest of the people.

He explained that Dr. Segba Nah Tipoteh along with others who were noted at the time for their vast experiences in the economic arena, were given the opportunity to make all necessary recommendations, but that, "they all turned out to be a complete failure."

The senior UPP executive's attack comes in the wake of a recent MOJA release mailed and published in the May 26, 1987 edition of the DAILY MIRROR newspaper, criticizing the government of Liberia for requesting Americans to come and help with

her economic recovery program.

The release said to have emanated from the Hague, the Netherlands where Dr. Tipoteh is reportedly residing also said, "it was shocking to learn that the sovereignty of Liberia had been surrendered to the United States by calling in 17 national economic managers" imposed by the United States government on the Republic of Liberia."

Mr. Bargilo further said that the release which described government's move as the "managerial odyssey in the strongest possible terms," called on the people of the United States to demand their government for the immediate withdrawal of the colonial agents from "our country."

and such could not have been approved by men like Dr. Tipoteh or Dr. H. Boima Fahnbulleh, Jr. and his cohorts.

Instead, he said, "they should be thinking about how best they should save the Liberian people from the economic slum they have placed us in today."

He then cited the increment in salary of civil servants as one of the many false impressions given the then Master Sergeant Doe by Dr. Tipoteh some seven years ago, as means of saving the economy.

The UPP advisor further called on the Liberian and American peoples to publicly reject the MOJA release and stage a peaceful demonstration against it.

MOJA, which was strongly rooted in Liberia prior to the April 12, 1980 coup, was banned along with other

organizations in the country for political reasons. Some prominent figures of MOJA in Liberia at the time were the former Planning and Economic Affairs Minister, Dr. Tipoteh, Dr. Fahnbulleh, Jr., former Education and Foreign Affairs Minister and Dr. Amos Sawyer, a former professor at the University of Liberia and Chairman of the banned Liberia People's Party (LPP), among others.

It can be recalled that in his quest to revitalize the Liberian economy, President Doe requested U.S. Secretary of State George Shultz during his visit to Liberia to assist the country in its economic recovery program.

It was based on this request that the U.S. agreed to have 17 economic experts come to Liberia to assist in its recovery program.

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POLITICAL PARTIES EXCLUDED FROM CHIEFTAINCY ELECTIONS

Monrovia NEW LIBERIAN in English 18 May 87 pp 8, 3

[Article by Gus D. Jaeploe]

**[Text]** A fine of \$10,000 awaits any political party that will meddle with this year's chieftaincy elections which were formally declared open May 15, and are scheduled to end June 13, 1987.

Sounding the stern warning last Friday at a press conference, the Chairman of the Elections Commission (ECOM), Isaac Randolph said, although Article 77 of the constitution calls for the free competition of political ideas as an essence of democracy, however, because of the "peculiarity" of our indigenous society, this year's elections will be held strictly without the participation of political parties.

Mr. Randolph explained that the chiefs are all under

the Executive Branch and the involvement of party machinery in the campaigning and winning of votes for their candidates during the elections would fragment the Executive functions of government.

He said if a chief is elected on an opposition party's ticket, the President will not be able to remove him from office upon proven misconduct, thus such a chief could be the source of serious trouble and confusion in the country.

He pointed out that announcements for the result of the elections is June 29, 1987.

The ECOM Chairman also disclosed that out of the 1,488 applicants for 1,078 paramount, clan and

general town chieftaincy positions from all over the country, 1,432 aspiring candidates were qualified, while 56 applications were rejected for various reasons.

He said since those who will be electing their leaders are tribal people, some special educational materials for the smooth identification of ballots, symbols and other information on how to vote right have been printed.

He said the entire exercise is estimated to cost \$500,000 of which the Commission has received only \$300,000 at present.

He said the counting of the ballots will take two days in the various county capitals with a seven days allowance for protests.

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BISHOP COMMENTS ON FAILURE OF PARTIES RECONCILIATION TALKS

Monrovia DAILY STAR in English 20 May 87 pp 1, 7

[Text]

The complete collapse of the reconciliation talks involving four full-fledged political parties was engineered by the very parties and not the Liberian Council of Churches (LCC) which has been formed by many in the political arena, Lutheran Bishop Roland Diggs has said.

Bishop Diggs, in an interview with this paper yesterday said, the LCC has played its part well since the talks kicked off in 1985 but claimed that the parties were responsible for the complete breakdown. Parties involved are the ruling National Democratic Party of Liberia, Unity Party, Liberia Action Party and the Liberia Unification Party.

He said each time they met at

a round-table-conference, the parties failed to agree with each other on certain issues.

According to Bishop Diggs, LCC advanced several proposals when the parties failed to agree, but added that even "our proposals were overlooked by the parties".

He said at no time the LCC had influenced certain political parties to boycott the talks, noting that "it is the parties that fall open each time we meet."

He said, "The reconciliation talks was a matter of discussions and finding out what was wrong. But the various parties failed to realize where they went wrong; so the talks could not give birth to the desired results".

Asked to comment on a clergymen's statement that the "Illiberal Society was still". Bishop Diegs said "whenver a clergymen makes such a statement, it doesn't mean that he himself is correct. True what he is saying".

He said clergymen were part of the society, so when anything like things were happening it was the duty of the church to speak out on those issues.

According to Bishop Diegs, the church has all rights to correct government on issues of national concern. therefore, he added, the church should not be seen as an enemy of the state when it speaks.

Recently, President Samuel K. Doe, while addressing

a news conference at the Executive Mansion said, we have decided not to include the clergy in the reconciliation talks because it would seem that one day they would preach reconciliation and the next day strike and fear. Their efforts in the past have not reaped the desired results".

Dr. Doe informed the nation that there was a new approach to the reconciliation process, adding that, "In our endeavour to find solution to our political differences, we will solicit recommendations and proposals from the public that will lead to the attainment of general and complete reconciliation amongst the citizenry.

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LUP'S APPEAL TO DOE FOR AID DISCUSSED

Monrovia NEW LIBERIAN in English 22 May 87 pp 1, 6

[Commentary: "LUP Must Now Admit..."]

[Text]

The appeal Tuesday by the Liberia Unification Party (LUP) to President Doe to rescue that party from its present legal catastrophe came as a complete surprise to all who have been watching the Liberian political scene.

It was a surprise because the appeal is a tacit acknowledgement of a stark reality which LUP and other opposition parties have stubbornly refused to accept.

Since the 1985 general elections which saw Dr. Doe's National Democratic Party of Liberia (NDPL) scoring a resounding victory, LUP and other opposition parties have totally refused to accept the election results.

Not only have they rejected the election results, the opposition parties have gone so far as to stop their members from accepting the seats they won in the National Legislature as a result of the general elections.

The refusal of these parties to accept the election results is a clear indication that they do not recognize the legitimacy of the government that resulted from those elections. This in essence means that they do not recognize Dr. Doe as the legitimate leader of this country. How then is it possible for a group that has refused to accept the very basis of Dr. Doe's constituted authority, now turn around to ask him to use that very same authority to rescue it from the boisterous wild torrents of its own political designs?

Mr. Kpoloh and his Liberia Unification Party (LUP) are obviously putting the cart before the horse by asking the President to exercise an authority they do not admit he has. We all know that LUP has got itself into a fix and needs help desperately. But they should not expect to get help when they have blocked the way for the help to reach them. What LUP needs to do first is to publicly acknowledge that Dr. Doe is the legitimate leader of this country, clothed with the authority to pardon wrong doers.

The time has come to put right where right belongs. The flexibility of the Doe government, the good disposition of the President himself, and his demonstrated willingness to extend clemency must not be taken for granted. Dr. Doe's goodwill must not make him a tool of convenience for those who would manipulate events to suit their own selfish ends.

Every child in the street knows what the end of this exercise may be. The Chief (Dr. Doe) may show mercy as usual.

However, before any clemency from the Chief is extended to the Liberia Unification Party, LUP owes it to its own credibility and to the efforts of the hundreds of thousands who voted to elect Dr. Doe, to admit that he is the constitutional Head of the Government of Liberia--the President of Liberia.

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DISSOLUTION OF LUP WOULD BE BLOW TO MULTIPARTY SYSTEM

Monrovia DAILY OBSERVER in English 27 May 87 p 4

[Editorial: "Let Multiparty Survive"]

[Text]

SCARCELY TWO YEARS into the Second Republic which has been hailed by its democratic feature of multiparty system, the registration certificate of one of the five existing political parties has been revoked.

THE LIBERIA UNIFICATION Party's certificate was revoked last week by the Elections Commission after a long drawn out battle between LUP and ECOM over that party's failure to adequately respond to ECOM's call to submit its bank account for examination. The Party had claimed that it had no bank account. A fine of \$5,000 was imposed on the party; the party appealed to the Supreme Court to have the fine prohibited, but the Supreme Court upheld the decision of ECOM.

ECOM ordered LUP to comply within 72 hours or have its certification revoked. After the deadline expired, ECOM announced that it was withdrawing the party's registration certificate and barred anyone from doing business with the party. Thus the death knell was sounded over one of the political parties which helped usher in the Second Republic under a multi-party system.

THE REVOCATION OF LUP's certificate of registration is to be regretted as its leader, Gabriel Kpoloh, the record shows, was the first person in the country to resign from government in order to run for the Presidency. He did so when the then Head of State asked all those serving in government who wished to engage in political activities to resign their positions and declare their intentions. Despite his early declaration, the Liberia Unification Party had difficulties in meeting the registration requirements and only qualified at the last moment.

MR. KPOLEH, HOWEVER, became popular in the eyes of many — popular for his outspokenness, and his charisma. He became the leader of the short-lived Grand Coalition; he went to jail on several occasions but remained steadfast in his quest among his colleagues for the realization of a multi-party system in the Second Republic.

**THE LIBERIA UNIFICATION Party, on the one hand,** was at times considered among the most radical of all the parties. Their declarations were always direct, biting and in many instances, hard-hitting.

**BUT, ON THE** other hand, many believe that it was the uncompromising attitude of the LUP which led to its downfall. We hope, that the revocation of LUP's certificate will not lead to a domino game which could see the parties falling one by one, leaving, as the saying goes, "only the strong that survives."

**WHILE IT IS** true the remaining political parties do not see eye to eye on many issues, we think there is one definite point they should be unanimous about, and that is, a concerted move to ensure the survival of the multi-party system.

**WE ARE SURPRISED** that since the revocation of LUP's certificate there has not been one statement issued by any of the parties lamenting this situation. A threat to one party is a threat to all the parties; therefore while the elimination of LUP may win more membership into the fold of other parties, we should demonstrate concern when the multi-party system is beset by threats, revocation and fines.

**WHATEVER THE MISTAKES** the Liberia Unification Party may have made, the other parties should guard against them in order to ensure their own survival.

**NO POLITICAL PARTY** today is represented in the Legislature except the ruling National Democratic Party of Liberia; nevertheless, opposition parties must be seen to exist by making themselves heard on issues, by showing some positive signs of concern for the problems currently besetting the nation.

**IT IS EASY** to dismiss this issue as a legal matter which only the courts must decide. However, it is an obligation on the part of all of us to make our newly-founded democracy seem to be working. This is where the law, our social values and politics must converge.

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## OPPOSITION LEGISLATORS DENY FORMING PARTY

Monrovia DAILY OBSERVER in English 2 Jun 87 pp 1, 6

[Article by Gabriel Williams]

[Text]

**The Opposition Independent Legislators (OIL), an alliance of opposition parliamentarians in the National Legislature, say it is not a political party and does not pretend to be so.**

A press statement signed by OIL Chairman, Grand Kru County Senator Tuan Wreh, said the group is a legislative caucus formed to maintain "our separate political identity in the national Legislature so as to discuss matters affecting our vital interests as well as the interests and aspirations of the Liberian people".

The statement, which was issued at a press conference yesterday at the Capitol Building in Monrovia, was prompted by a newspaper report quoting Maryland County Senator J. Barney Taylor as saying that there should be no opposition alliance in the National Legislature.

May 26 edition of the Daily Star Newspaper quoted Senator Taylor as saying that the so-called "opposition alliance" recently formed by opposition legislators was a complete violation of the Liberian Constitution.

Mr. Taylor, who later denied ever being interviewed on the subject matter by the Daily Star reporter, was further quoted as saying that the legislators, who grouped themselves into a body called the Opposition Alliance, must not also forget that they were elected to the National Legislature on the tickets of the various political parties during

the 1985 general elections and not as independent candidates as they may claim to be.

The independent legislators charged that Senator Taylor has committed a "graveous blunder" by asserting that the legislative caucus was formed contrary to the provisions of the constitution of Liberia.

The statement, read by Senator Wreh in the presence of some of the 11 members of the OIL, said Senator Taylor knew or ought to have known as a lawmaker that there is no such provision in the Constitution proscribing the establishment of such organization.

The independent legislators defended the legitimacy of their organization in keeping with Article 17 of the Constitution which states that: "All persons, at all times, in an orderly and peaceable manner, shall have the right to assemble and consult upon the common good...and to associate fully with others or refuse to associate in political parties, trade unions and other organizations"

"Even if we were originally elected to public office on the tickets of LAP, UP and LUP and later resigned from the membership of said opposition political parties due to disagreement with party policies, we are still protected by the same Article 17 provision of the organic law which guarantees to all the freedom of choice and association which cannot be questioned anywhere"

The independent legislators said by accepting the mandate of

their constituents to represent them in the Legislature, they have truly effected their reconciliation with the ruling National Democratic Party of Liberia (NDPL) and the Samuel K. Doe regime.

On this note, they quoted the eminent political philosopher, Plato, who said in his Republic "He who refuses to rule is liable to be ruled by one who is worse than himself".

They said their political alliance is a loyal opposition to the NDPL majority in the National Legislature, not an enemy of the state or of the government of President Doe.

They also observed that the NDPL itself organized its legislative caucus of which Mr. Taylor is a member.

The Opposition Independent Legislators are comprised of former members of the opposition Liberia Action Party (LAP), Unity Party (UP) and the Liberia Unification Party (LUP). They were expelled from the parties concerned for refusing to adhere to the parties' decisions to boycott the 1985 general elections results for alleged election fraud. The individuals were candidates for their respective parties during the elections.

The OIL was formed to enable opposition members of the legislature to take a common approach on issues of importance.

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LIBERIA

IMPACT OF GOVERNMENT GASOLINE USE CUTBACK DISCUSSED

Monrovia NEW LIBERIAN in English 3 Jun 87 pp 1, 6

[Article by J.N. Elliott]

[Text]

Operations at several government agencies have drastically slowed down in the wake of a fifty percent reduction in their gasoline supplies.

General Services Agencies (GSA) Director General Clarence Momolu who commented on the situation yesterday, warned that government operations could be seriously hampered if an immediate solution is not found.

Mr. Momolu who "passed the buck" for the situation to the Budget Bureau and the Finance Ministry, said there is an urgent need for remedial action on the part of the two agencies which control government expenditure, including the purchase of gasoline.

Speaking in an exclusive interview with the NEW LIBERIAN at his GSA Office in Sankor, Mr. Momolu said government had previously been using 12,000 gallons of gasoline to service its fleet of 1,200 vehicles

daily, but disclosed that without any notice, the Economic Financial Management Committee at the Finance Ministry in conjunction with the Budget Bureau decided to cut the supply by half.

A letter dated May 28, 1987, signed by Finance Minister John G. Bestman, which Mr. Momolu exhibited had directed that LPRC should stop offsetting revenue due government through the supply of petroleum products but should instead pay by cash.

The letter said the EFMC had decided that this guideline be implemented effective June 1, 1987, and that all government agencies pay for their supplies on a cash basis through a designated vendor.

But, Mr. Momolu explained that the fiscal measures on gasoline consumption is not feasible because, according to him, the Finance Ministry is allotting 100 percent to the various ministries and

agencies when infact the supply is only 50 percent.

He said this was the reason for which LPRC refused to abide by the new regulations.

In a letter dated June 1, 1987, LPRC's Managing Director Philip Davis, said: "we strongly believe that in the absence of a declared policy guideline to all agencies concerned, it will be difficult for LPRC to abruptly implement the scheme."

The letter addressed to Finance Minister Bestman said: "if LPRC were to implement the letter, this would virtually paralyse the operations of the va-

rious ministries and agencies."

The letter continued: "even with the new system limiting government's supply to about \$19,000 a day is still causing LPRC considerable problems in that certain agencies are in the habit of making direct request to the refinery without prior clearance from the Finance Ministry as previously agreed."

Asked what sort of recommendations GSA intends making, Mr. Momolu explained that he is preparing a position statement to the Finance Minister on the issue therefore, he could not comment at the moment.

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## LIBERIA

### MASS DEFORESTATION BLAMED ON 'SHIFTING CULTIVATION'

Monrovia DAILY STAR in English 4 Jun 87 pp 1, 7

[Text]

The "shifting cultivation" an indigenous method of farming in Liberia has been one of the major factors responsible for the current mass deforestation of the Liberian forest.

It is reported that during every farming season, thousands of farmers in various parts of the country indiscriminately select areas in the national forest for the purpose of growing rice, but that this effort has caused the degradation of the nation's forest reserves.

This was confirmed this week when the Deputy Managing Director for Operations at the Forestry Development Authority (FDA), Mr. Emmanuel M. Emeh led a group of Liberian journalists to tour about six

major logging concessions in various parts of the country, including Bomi, Grand Cape Mount and Lofa counties to acquaint themselves with operations there.

The tour was prompted by the constant public criticism that logging companies in Liberia were the major contributors to the current deforestation.

Concessions toured included, the Liberia Wood Management Corporation (LWMC), Selective Logging Company (SLC), United Logging Company (ULC), Bomi Reforestation Plantation, Bomi Wood Saw Mill and Cape Mount Industrial Plantation.

Director Emeh told journalists during the tour that although logging, mining as well as national

infrastructural development activities were contributing factors to the destruction of forests in Liberia, this issue has been intensified over the years by growing traditional method of farming in the country.

"Our local farmers know no other way to produce food for self-sufficiency instead the traditional method," Mr. Emeh explained of forest land in the country and that out of the amount, 12 million acres is known to be high forest, while four million acres of the total amount has been identified as national forest and an additional 9 million productive forest and is presently not in use. He said that this is where farmers could be allowed

to carry out cultivation with the concern of FDA. He then reported that on many occasions, the FDA has advised local farmers on how to carry out "shifting cultivation" in their areas, but that many of them have not yielded to this advise, adding, This does not mean that we are against the "GREEN REVOLUTION

program launched by government."

The Managing Director of the Printz Development Company, which is an affiliate of the LWMC, Mr. Amram Benzi, said that within the period of 25 years logging done in Liberia by this company cannot have any side effect on the ecology of the country.

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LIBERIA

BRIEFS

ISRAELI ASSISTANCE TO POLICE--Police Director Wilfred E. Clark left Liberia yesterday for a week-long visit to the state of Israel. The visit is in response to an invitation extended the Liberian Government by the Israeli Government through its commissioner of police. Director Clark will discuss on how best the state of Israel can assist the Liberia National Police in improving its services. Director Clark was trained in Israel. [Text] [Monrovia DAILY STAR in English 23 May 87 p 1] /13046

EXTRADITION REQUEST TO GHANA--The Liberian government has advanced an extradition process to the Ghanaian Government against Mr. Charles Taylor, who was reported to have been arrested in that country with arms and ammunition. Justice Minister Jenkins Z.B. Scott disclosed this yesterday during a news conference at his office on Ashmun Street, Monrovia. He said that the Government of Liberia has made the request relying on the extradition treaty, an understanding which had existed between the two countries since the 1800s. The Liberian Government wants Mr. Taylor, former General Services Agency Director-General, who two years ago allegedly defrauded the government of about \$2 million. The state first sought to extradite Mr. Taylor two years ago while he was in the United States, but he allegedly escaped prison before the conclusion of the case. [Excerpt] [Monrovia DAILY OBSERVER in English 19 May 87 pp 1, 6] /13046

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PRESIDENT DISCUSSES TRIP ABROAD, DOMESTIC ECONOMIC ISSUES

Antananarivo MADAGASCAR MATIN in French 27 Apr 87 p 6

[Article by J. Rakotonirina]

[Text] The primary goal of the president's trip abroad was to attend the 75th anniversary of the birth of Korean President Kim Il-song. Therefore, it was normal that in Ivato on Saturday for press questions and the chief of state's answers to begin with that subject.

For President Didier Ratsiraka, then, in sectors where the Koreans are successful, the Malagasy can also be successful. And if the Koreans are to be taken as an example, a look should be taken principally at that "will," that "determination" to exploit the potentials, particularly mine products.

"With respect to gold, for example, Korean ores are rather low-grade (only 0.3 to 0.4 g/m<sup>3</sup> compared to 2 to 3 g/m<sup>3</sup> in Madagascar); however, they are exploiting what they have available while our ores are still sleeping underground.

"We must, therefore, exploit our gold because if we had managed to export only 2 tons per year, we would now have \$13.5 million (more than 10 billion Malagasy francs)."

The chief of state also emphasized the positive aspects of these trips abroad, which permit him to inquire about the experiences of others and to compare them with our own.

"It is difficult to compare the DPRK [Democratic People's Republic of Korea], a former colony, with Japan, a former colonizer of Korea," [he said,] "because two quite different systems are involved. The Japanese GNP is higher given the fact that this country is among the great world powers at present. But with respect to population, the North Korean standard of living is perhaps higher. In fact, the people do not pay taxes; they are provided with housing, etc."

According to President Ratsiraka, the two systems can be used as a model, while taking into account the fact that Asian countries in general "work like Trojans," whether we are talking about the Japanese, Koreans, Vietnamese.... "If the Malagasy do as they are doing, the country could go a long way..."

## Visit

On another subject, the chief of state announced that President Kim Il-song has already been invited to pay an official visit to Madagascar; however, he will not make the trip until the Ambohitraina State Palace is finished. The construction of this palace could be completed in June 1988 and perhaps at the end of this year, if the necessary materials are available.

Concerning cooperation between the two countries, the exploitation of Malagasy gold was envisaged during this stay.

President Ratsiraka also recalled the Malagasy position with regard to the "Olympic Games in Seoul." This position is the same as the one adopted by the OAU and the nonaligned countries. If the games do not take place simultaneously in the two Koreas, Madagascar will terminate its participation. But since this principle is already established, it remains to determine which games will be organized in the respective countries; therefore, one could say that Malagasy participation does not pose a problem.

On another matter, President Ratsiraka made reference in Paris to the difficulties of the DPRK, a country reputed to be a "heaven on earth." In fact, these difficulties have to do with the country's division in two (North and South Korea) and, consequently, the almost permanent threats engendered by such a division.

"In any event, this is a working people. The proof: Under the Japanese occupation, North Korea was industrial and South Korea was agricultural; however, during the war, North Korea was devastated. The people have recovered and at present have achieved food self-sufficiency. We can make this desire for all-out production our own."

## France

The first question on French-Malagasy cooperation obviously concerned aid to developing countries, to Madagascar in particular. The chief of state noted that this aid did not pose problems of "cohabitation" since both the Left and the Right recognize its need, and even its priority, for the countries of Africa.

"The Paris newspapers write a great deal about Madagascar," President Ratsiraka said. "Some of them have written that the French leaders found Ratsiraka shrewd and skillful. However, they do not have great confidence in his future. That is why Paris is no longer going to help him..."

However, as if to demonstrate the opposite, the French leaders, President Mitterrand and Prime Minister Jacques Chirac in particular, received the Malagasy chief of state, even though he was on a private visit. Similarly, the President of the Democratic Republic of Madagascar, while still in Paris, was able to receive Messrs Aurillac and Foccart.

And the matter did not end there because the signing of the agreement to discount the interest rate took place at the Malagasy Embassy and not in an office of the French Government. For knowledgeable observers, this has important political and diplomatic meaning.

Therefore, all these events contribute toward contradicting the statements made by these newspapers.

#### Sectional

The increase in the sectional adjustment loan granted by France, which up to this time totaled 160 to 165 million French francs, has now been increased to 190 million French francs and will be increased again in 1988. Therefore, if there is a discount of interest rates of 48 million French francs, that means the interest we must pay will decrease by 48 million French francs.

With regard to the second meeting with Jacques Foccart, adviser to Matignon, this is what President Ratsiraka said, "By means of this meeting, the French Government perhaps wished to refute the statements of certain newsmen who maintain that France was behind the recent disturbances which took place in a few cities on the Big Island. Therefore, this meeting could be interpreted as an indirect affirmation of France's position in these matters."

The meeting with Aurillac provided the framework for discussions on cooperation in general and the signing of the agreement on the interest rates discount.

President Ratsiraka was also in great demand by the French media during this trip. And, according to the explanations given by him on this subject, this was quite proper because "here in Madagascar there was the incident of the looting of some Indo-Pakistani property, and there was that disinformation campaign." "However shaken I have been by the attacks of my adversaries," the chief of state said, "I think that this time they have crossed the line, the limits of the tolerable. When they say that we have generalized infanticide, then that is crossing the line. I took advantage of my trip to Paris to set the record straight; that certainly does not surprise you..."

#### Rumors

On another subject, unlike the Maghrebian immigrants working in France, Malagasy immigrants are sending home not hard currency, but rumors, according to President Ratsiraka. They have gone so far as to establish governments in exile and to consider themselves exiles, whereas, according to the chief of state, they have been given authorization to leave the country without being prohibited from returning if they wish.

In much the same vein, President Ratsiraka confirmed the fact that a leader and member of the political party FNDR had held a press conference in Paris denigrating the country.

At the outset, in the political sector, the President said that there was no reason to anticipate presidential elections and that, moreover, he had not understood the question posed by the newswoman.

Following this tack, he denounced certain foreign newsmen who take perverse pleasure in disseminating false news stories such as the one about generalized infanticide, the newscast by "TV 7-jours" titled "Didier Ratsiraka Prefers A Motorcycle" (in which the newscaster reports that Ratsiraka exchanges his place in the presidential limousine with the lead motorcycle escort because of his fear of being assassinated...).

In a related vein but on the subject of the political parties involved in the recent disturbances which ended up with the looting of Indo-Pakistani property, the president refused to cite names and limited himself to inviting each and everyone to try to find out "who benefits from the crime." As for the defamatory report according to which he uses international aid to repress the people, he said, "We may well take those who make such remarks into court, because it is enough to examine the manner in which this aid was used (the building of roads, factories, etc.)."

#### Economy

Turning next to the economic sector, the chief of state took advantage of the opportunity to announce certain new measures or recent information: The minimum price of rice was first set at 120 Malagasy francs so as not to harm the producers, given the fact that the price of the stockpile rice had been lowered to 360 Malagasy francs.

Similarly, the price of a kilo of vanilla was set at 100 Malagasy francs.

As regards the increase in the price of gasoline, this has risen only 10 instead of 30 percent. The price should be increased 30 percent; however, a determination was made that a bearable increase at the present time was only 10 percent. On this subject, the Malagasy people have breathed a "sigh" of relief.

As for the next devaluation, he does not yet know when this will occur, since it depends upon numerous factors, and other negotiations, particularly with the IMF. However, the president made a point of saying that devaluation was not bad per se; what is necessary to know are the limits to the bearable. It is necessary to devalue to encourage exports. For example, he cited the instability of the price of coffee which in September-October 1986 sold for \$1.80 per pound but now has dropped \$.80 per pound. According to him, if devaluation had not been undertaken, it would have been necessary to sell at a loss. Our devaluation, moreover, is bearable compared to that of certain Third World countries which runs from 100 to 200 percent.

#### Oil

President Ratsiraka also announced that the big oil companies have abandoned their exploration. They had found traces of oil, but the reserves discovered in this manner would not be profitable for these big companies. On the

other hand, these reserves could be profitable for Madagascar. That is why the director general of OMNIS was called to Paris by the President of the Democratic Republic of Madagascar to seek the means (principally financing) which will permit Madagascar to exploit these reserves on its own. This exploitation would require \$4.5 million (more than 3.5 billion Malagasy francs). According to the chief of state, a friendly country, whose name he did not divulge, has agreed to provide this sum of money. This means that the Democratic Republic of Madagascar will be able to commence drilling for its oil within a few months. In the meantime, the Big Island will import 70,000 tons of oil from the USSR this year.

However, these are not the only products which this country will import; 50,000 tons of rice will be imported this year; 30,000 tons in 1988; and also 30,000 tons in 1989.

In response to another question about rice, President Ratsiraka said that it was not possible to lower the price of rice in the Fokontany retail stores because if it is desirable to have the peasants participate effectively in attaining the goal of food self-sufficiency it is necessary for them to be paid for their efforts. In fact, if the prices of their products do not please them, the peasants might well stop producing.

On the subject of the slump in "Gasy" rice sales by middlemen (collecteurs), the president added that these individuals had speculated too much. However, they were told that the stockpile rice would last so long as necessary and that rice could no longer be the subject of "rise-rise" [?price rigging].

Finally, with regard to the resumption of classes at the university, the president expressed his satisfaction at the decision of all concerned. That is because for him the future of the nation's young people should not be played with.

This interview with the president lasted about 60 minutes. For the answers to very specific questions (concerning the SOLIMA deficit, the rise in the invoices of JIRAMA, Third World debts...). President Ratsiraka referred the newsmen to the respective officials or to his old speeches dealing with these subjects.

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MADAGASCAR

PRESIDENT DISCUSSES FOREIGN POLICY, DOMESTIC UNREST

Anti-Indian Violence Minimized

Antananarivo MADAGASCAR MATIN in French 28 Apr 87 pp 5-6

[Interview with President Didier Ratsiraka on RFI Press Club program in Paris; date not given]

[Text] The following is the introduction given President Ratsiraka by the master of ceremonies during the RFI Press Club program.

"Times are hard for all of us, President Ratsiraka, and you in Madagascar are no exception. In addition to the economic problems which are the most widely shared, you have recently had ethnic problems, demonstrations against the Indian-Pakistani community which have focused the spotlight on the Grande Ile of late. This has not prevented your government from pursuing its policy, one which was reoriented two years ago. After the very revolutionary period in the early years of your regime, a period marked domestically by excessive nationalizations; on the economic level by a series of undertakings of a collective nature; and on the diplomatic level by the establishment of very close relations with the communist countries, we have seen a more balanced policy, with the resumption of closer relations with France and even the United States (which did not prevent you from visiting North Korea, however, from which you have just returned), as well as the slowing of nationalizations and an agreement with the IMF.

We will discuss all of these things in the course of this Press Club program originating from the Embassy of Madagascar in Paris, with journalists representing LA CROIX, LE MONDE, LE FIGARO, LIBERATION and the RFI participating.

It is superfluous to introduce you, President Ratsiraka, since the RFI listeners know you well. You have participated in this Press Club program before. In fact, you were the first invited guest on this broadcast, but that was in 1982, and things have changed greatly since.

I would simply mention that you are 50 years old, have been president of the Democratic Republic of Madagascar for 11 and a half years, after serving as minister of foreign affairs under General Ramanantsoa. You were a naval

officer, were trained at the French Naval Academy, and you are the author of a Little Red Book and the Charter of the Malagasy Socialist Revolution.

[Question] You have just returned, then, from a trip to North Korea. When you left your country, you said that this was not a flight. Were things going so badly, then, that you needed to make such a statement?

[Answer] Indeed not! Things were not going as badly as you say. I made this statement in response to the statements you journalists made. I do not intend to put anyone whatsoever on trial here, but I have read in the columns of certain French newspapers that whenever things go badly, I fear a coup d'etat and I go to Andrankaka (the Andrankaka Military Base, near Ramena, on Diego-Suarez), or else that I flee to somewhere far from Antananarivo. Well, I say "no"--I do not "flee."

First of all, It is not true that I go to Andrankaka whenever something--for there is always something--goes wrong, and this is not the first time there have been student strikes or the plundering of shops following a soccer match in Antananarivo. I can tell you a secret, and it is that I have only been to Andrankaka once in my life. One single time, and it was for a vacation in a period when everything was calm. Thus you will make a note of this, I do hope, because you are here to report. The Andrankaka air field in question can accommodate the Antonov-12 aircraft, the heavy cargo planes, and since the presidential Yak 40 was inoperative, I had to take an Antonov-12. It was for this reason, then, that I went to Andrankaka. Just once, I tell you, and arriving by tugboat, lighter, etc.

Thus I had to make this statement to cut short any speculation about possible abdication, about a possible "flight" because things were going badly. If things had been going that badly, quite the contrary, I would not have left. I am saying very simply that there are responsible people in Antananarivo, that the government is there to govern, that the decentralized collectives are there to govern on their levels, and there is no need for the chief of state to be present every time an alarm sounds.

Thus things are not going as badly as some would have it believed.

[Question] Thus you did not flee and you are not abdicating. The fact remains that the rebellions in Madagascar have been extremely violent for some months now. I would like to know what your explanation as to the origins of the anti-Karana rebellions is. You must be aware that the opposition is talking about provocation on the part of groups linked with the regime, and according to a number of reports, it has been said that the forces of law and order showed a certain passivity when the Karana shops were attacked by the crowds of demonstrators. What is your explanation?

[Answer] A certain passivity? I would say "some passivity." You said "very violent." This term could also be modified, because not a single individual was killed. Not a single Karana died. Now my explanation, for what it is worth--it is my own--is that the people who are opposed to me directly or indirectly are asking themselves whether they can beat me in the next elections. Their answer is no. Thus they must destabilize the country. Some

have made statements to the effect that international bodies, whether it be the IMF or the World Bank, the FAD or the BAD, etc., are helping me. Why? Is it perhaps because the government has credibility and I myself am credible? Thus they do not know what to do in order to get rid of me, and as a result they upset the economy in order to prevent foreign investors from coming to Madagascar in the future. And that is an explanation which will stand up, in my opinion.

Secondly, what has happened in fact is that the people have had enough of certain more or less secret activities, and a certain arrogance on the part of some Karana who have money. And those who want people to come into the streets, who want to destabilize the country's economy, have found--too easily, in my opinion--that the best solution is precisely to plunder the Indian-Pakistani population, because there are three reasons for this.

First of all, some of the Indian-Pakistanis have developed schemes to the right and to the left and practice corruption (I do not say always, but I know it exists). On the other hand, certain Malagasy citizens owe money to these Indians, and unfortunately, the latter keep the pertinent documents at their homes. By burning their homes, the debtors automatically eliminate evidence of their debt. And so the plunderers break into their shops and then invite people to help themselves. This is one explanation.

Secondly, those who organized this business saw no farther than the ends of their noses, because in the end, it is a question of those with the hoses getting wet. When there are an additional 1,000 or 2,000 unemployed in Tulear because of the departure of the Indians, you will in the final analysis have to multiply this by five, because they have wives and children. Thus it soon becomes 10,000 unemployed and poor. The commerce in the hands of Indians and Pakistanis in Tulear, representing 80 or 90 percent, is blocked, and even the minor credit for the collection of products is blocked as well. Finally, the people are now beside themselves with impatience.

As to the statement that it was I who organized this--that is an impossibility. I have no interest in a lack of stability in the economy of the country, because whatever unjustifiable actions may have been committed by these Indian-Pakistanis, as compared to the economic and commercial contribution they have made to the economy of Madagascar, their various schemes, in general, do not weigh very heavily.

In addition, when it is said that the regime is sold out to the Karana, that everyone is corrupt and that the government is corrupt, I say "nyet." Just last year I halted the sale of secondhand goods by the Karana, a business running into the billions.

[Question] Aren't you afraid that by saying all this about the Indian-Pakistani community, you may in fact be encouraging the rebels, in the sense that you seem to justify them after the fact? You seem to be saying that yes, there are reasons of state and economics, but after all, these people...

[Answer] If you take only the negative side of my argument, yes. But I said that the people are impatient with this, because in the end it is the Malagasy

citizens themselves who are penalized by the departure of the Indians. And I say that it is a bad thing for the economy of the country, as well as for the Malagasy population.

[Question] It is said that an effort is being made to destabilize Madagascar at any price. Is it in that sense that you interpret the demonstrations and the student troubles in these recent months?

[Answer] Yes, indeed it is.

[Question] There is a certain uneasiness among the Malagasy citizens because we recently saw a soccer match degenerate into a confrontation. Is there then an uneasy feeling because of the present situation?

[Answer] There is an uneasiness like that in all of the universities of the world. You know something about that. It is the result of the fact that in 1972, there were only 10,000 students at the University of Madagascar, while in 1987, there are 42,000, despite the decentralization carried out in the six faritany, in which regional university centers were established. Despite this decentralization, enrollment is being blocked by the "eternal students," and thus we must make an effort to trim the excess. The project is good in itself. The reform was approved by the Cultural Commission of the Supreme Council of the Revolution, and there was a widespread consensus, it seems, among the students themselves, the teachers' union, the CSR and the minister, and I gave my agreement, because in the end it is in the general interest. In fact, the younger generation which has just passed the baccalaureate examinations will never be able to enroll if the older students block their access. Now we have baccalaureate certificate holders of 14, 15 and 16, while at the same time there are adult students 30 or 40 years old who are still at the university. This is rather unhealthy, and thus it is necessary to trim the fat.

But the politicians, those who engage in politicians' politics, those precisely who want destabilization, are profiting from this uneasiness to rally all of those who are discontent around themselves.

[Question] You speak of manipulation by the politicians. Who are these politicians?

[Answer] You know them as well as I do!

[Question] When you speak of a destabilization effort, are you thinking of people within Madagascar, in other words solely Malagasy citizens (and thus, possibly, those in the opposition parties), or are you also thinking of an effort to destabilize Madagascar from outside, in other words from this or that country?

[Answer] In fact, it is both together, I think. It bothers me somewhat to mention names, because I do not like to attack people individually like that. But all I know is that there is a group of three parties which are members of the National Front for the Defense of the Revolution and which have nothing in common but the fact that they rejected the 1986-87 budget and the 1986-90

plan. Some want the proletariat to win power, while others are working solely for excessive nationalism, and still others have an undefinable political orientation (one does not know for certain if they are leftists, rightists or centrists). In short, they have nothing in common.

But all I know is that responsible people in precisely these groups have encouraged these students. They come forward publicly to applaud them and to urge them to continue. I do not want to mention names because this is not in my nature, and I do not think that it would be wise for me to do that. However, there are people who have even sheltered the students being sought by the police.

And abroad, there is a little of everything, but without adequate evidence I cannot give you names. Why? For example, when a political leader to whom you have given more air time than to a chief of state (although, moreover, he came here recently) claims that there were 40,000 deaths in the South, that 280,000 people have emigrated toward the North, that I have bilked the state of funds, that all of this money which the foreign monetary bodies and nations have given as subsidies or loans to Ratsiraka is being used to repress the people, or again that I put this money in a Swiss bank account--my conscience remains clear, because this is an insult not only to me--that is all right, for I am accustomed to this sort of thing--but an insult to the international organizations and the friendly countries involved as well. How can one say that they are giving billions of Malagasy francs, hundreds of millions of dollars, to Madagascar, when they have representatives on the spot to check down to the last decimal point on the use of these funds which I am supposed to have diverted to an account in Switzerland or elsewhere?

[Question] Thus you react very harshly to the three parties and the leaders in question. Everyone knows who they are, at least in Madagascar, but how, specifically, do you plan to act? Does this mean the end of the political system as it has functioned in recent years, in which these parties are both in the system and in the opposition?

[Answer] You are right to ask this question, because the FNDR is built on a consensus, indeed national unanimity, to the extent of 94.6 percent. The election of the president, the constitution and the Charter of the Malagasy Socialist Revolution are firm foundations. Thus I think that this is something real, but it is a temporary alliance against nature, involving deputies from only one city in Madagascar, and in my opinion it is an alliance which cannot last. Thus this cannot be a "front within the front." In my view it is an epiphenomenon.

[Question] Mr President, in January of this year you expressed your profound recognition of the economic mistakes which had been made in Madagascar over a period of 15 years, and you asked the citizens of Madagascar to examine the situation again in 2 years. Is it truly realistic to imagine that it will be possible to reestablish the situation that rapidly?

[Answer] I recognized the mistakes made, but not all of them. I made a diagnosis. I said : "This is where we are, this is why we are here, and this is what I propose to you as solutions." In other words, the CASA, CAST,

CASPIC, the agreements with the IMF (standby), etc. I increased the prices paid to the peasant producers. All of this, then, encourages the people to produce (if you travel about the island now, you will see that rice is being cultivated from the North to the South, from the East to the West). I said that we will be self-sufficient in food by 1990. In my opinion, this is realistic. All I criticize certain journalists for is for seeing only the effects, and not the cause. You see very simply that things are going badly in a given sector of the Malagasy economy, things are going badly there from the social or economic point of view, without asking yourselves why. I will yield immediately to anyone who can find a miracle remedy for the situation I will describe, because he is competent to replace me.

In September and October 1986, the price of coffee was \$1.80 per pound. In April 1987, the price was \$0.80 per pound. Can something be done about this by altering the constitution, or by changing an attitude? Secondly, 45 to 50 percent of our budget income is allocated, after the rescheduling of payments on the debt service. Thirdly, I have asked the peasants to produce a great deal of vanilla, cloves, etc. Last year, for the first time in our history, there was surplus cotton production, and thus there was even enough to export. The market cannot absorb everything. It is not by changing the constitution or replacing individuals or stating that some children are dying in Antananarivo or in the South, or because a certain minister purchased a certain house, that you will be able to sell more vanilla.

[Question] However, your opponents assert that the production of rice before you came to office sufficed to meet Malagasy needs, while today it falls far short. They charge that the political system and the burdensome aspects you introduced into it basically ruined the Malagasy economy. What about that?

[Answer] The opponent who comes to me to say that would certainly not be a Malagasy citizen, or else he would be an opponent who knows absolutely nothing about the reality in his country. And as I have already said, it is a myth that I have long wanted destruction and have begun to carry it out.

[Question] When you said a moment ago that in fact rice is being cultivated today in Madagascar from the North to the South, from the East to the West, who in Madagascar is eating as much rice as he wants today? How can you explain the famine in the South?

[Answer] There is enough almost everywhere. We have 60,000 tons stored. I said that my opponent would certainly not come from Madagascar, or else would be unaware of the reality in Madagascar, because to my knowledge, Madagascar has always been a net importer of rice. What is happening is that Madagascar exported high quality rice and purchased rice which was 35 percent broken grains. It is like some of the Arabs who export poor quality oil and heavy oil, against light oil. And that is what was done. There was perhaps 1 single year in which there was a balance--this was during the period of the outline law, in 1956. The only year. But Madagascar has never been a net exporter of rice. Thus this is false.

You ask how the famine in the South can be explained. In that region there is cyclical drought. Less rice is raised there. The people raise livestock,

above all, and eat cassava and corn. Since I came to power, much more rice has been consumed than was the case before, showing, after all, that there has been a certain rise in the standard of living. Now what has happened is the following. When there is a drought, the zebu do not fatten and so they bring a poor price.

The people sell their cattle and 2 weeks later, they have nothing left. They sell even their eating utensils. Because the speculators, in rice precisely, sell the product at 100 Malagasy francs per kilogram. No one can buy it. It is inaccessible to the average small livestock breeder. Instead of screaming to the skies that there is famine in Madagascar, that 40,000 have died (no one knows, moreover, how they got this total, in the absence of death certificates--I do not know if there were 500 or a 1,000, but in any case, the number fell far short of this figure), we visited the area itself. I even sent my minister of agriculture. I sent members of the Political Bureau of the AREMA to help with the cultivation, because in my opinion it is not enough simply to provide rice, or corn or cassava. This is not the solution. You know the Chinese proverb. "If you want to help someone, do not give him fish, but rather a boat and a net so he can fish." Mr Koseinszko-Morizet said that too. Therefore work was done. Cultivation was undertaken and the rice distribution circuit was reorganized. You can go to the South to see that now rice is being sold at between 265 and 280 Malagasy francs. Some of your colleagues (RFO, Reuter) have gone there, moreover, and they did not see the 40,000 dead.

[Question] But Mr President, in combatting the famine, you used somewhat hasty methods. It was learned in Antananarivo, for example, that there were "death houses" for children--270 children were placed in abandoned slaughterhouses. And also, those called the "four friends"--you practically dumped them on a rubbish heap, and then there are the unemployed, etc.

[Answer] I expected this. I have read all the newspaper clippings on the subject. I am delighted to have an opportunity to respond. In 1975, there were what were called the ZOAM. These were people who were on the fringes, had no work, were unemployed... These people were used as mercenaries. They were cannon fodder. We wanted to come to their aid. Thus what were called the ZMT were established, and then the TTS. A whole building was purchased to shelter them for 80 million Malagasy francs. Sewing machines were purchased for the women, and the men were given work. Some of these people were able to pass the baccalaureate examinations and even to advance to third year studies on the higher level. For example, I arranged for them to produce crates for Lalasoa soybean milk in Ambatolampy, sacks for cement in Amboanio, embroidery, etc. Later these people were massacred by the "Kungfu," because in fact they engaged in active banditry, which even I could not tolerate. Then their building was burned and subsequently it was the "Kungfu" who took their place, swindling everyone, establishing a state within a state, engaging in violence, etc. As of that time, all of the young children and their parents (those who were not killed) found themselves in the streets, and whenever a foreign journalist came to visit, obviously it was they whom he saw. I did not ask these journalists to go look at the vagrants sleeping in the metro or along the banks of the Seine. Here these things are viewed as if they only happened in Antananarivo, and it is these people who are filmed.

What, then, was done? I asked the decentralized collectives, the municipality and the Ministry of Population to do something. I told them to take care of these people, because otherwise their presence would have a bad effect on the country, first of all, and also, from a human point of view, this is intolerable.

And so, then, the shelter and lodging centers, community villages, were established more or less everywhere. There are some which have been in operation since 1980. And about 30 kilometers from Antananarivo, a center called Imoron Imanga was established. But before the people could go there, since the ground needed to be developed, it was indeed necessary to provide provisional shelter for these poor unfortunates. But then it was said that they were transported in garbage trucks. In fact, I learned of this, but I was told that the trucks, returning empty from their work, picked them up so that they would not die of cold, and these trucks took them to the old Anosipatrana slaughterhouse.

There they are being fed, housed and educated. Is this a "death house" for children, a crematorium in the slaughterhouse? It is not true. I deny that there is any slaughterhouse for children of the Buchenwald or Dachau sort.

#### Economic Difficulties Minimal

Antananarivo MADAGASCAR MATIN in French 29 Apr 87 pp 5-6

[Text] [Question] I note that in the final analysis, the Western press is very poorly informed about Madagascar, because according to you one can see that the social policy of the Malagasy government is very well developed, if I understand rightly. But when one goes into the field, when one goes to talk to the humanitarian organizations which are taking care of the most neglected strata of the people, one finds that all of the officials of these organizations say: "Above all, do not talk about us, of what we are doing for these people, or you will get us expelled." I would like to understand this.

[Answer] Well, I too would like to understand. I would like to understand. and I would like for them to come to see me at the palace, because my wife has established more than 110 nurseries in Madagascar, precisely in order to accommodate the children of those who cannot take care of them, while the husband or the wife is working. And in Antananarivo, in this "death house" for children of which you speak, there are 14 of them. What prevents the parents of these children from sending them to the nurseries, for there is no distinction based on race, religion or political party, although it was the AREMA which built them? What prevents them from going there? The fact that it was the AREMA.

My sister-in-law, who is a member of the Political Bureau of the AREMA, went there precisely, to the South. There she found a very generous lady distributing rice to the peasants in Androy. Then my sister-in-law said to her: "This is not what is needed. One must sell the people rice, because they must feel the need to work and to produce." And then my sister-in-law took an "angady," a spade, bought corn, just unselected seed, and cultivated 42 hectares, together with the residents in the district.

Thus we need to help the people to help themselves, and not to distribute products free. The good lady accepted this argument because it was valid.

I do not understand it when these people of whom you speak say: "Don't report it." Does this mean that the Malagasy president does not have police to note that a given person is making a given gift? That is too much, and I thank you, even though your remark is a bit too enigmatic. However, we know what people are making gifts. For example, there are the International Red Cross, the Malagasy Red Cross, the pastors or the priests, the good sisters from the Christian schools, laymen, the Rotary Club, the Lions' Club, etc. People tell me: "But you are distributing only 53 kilograms to 260 children." But one can only pursue the policy the resources permit!

Others say to me: "The cement is received, the corrugated iron is received, and then finally these things are sold." But it is not possible to do anything but sell them, for if you cut up the corrugated iron sheets you have into as many pieces as there are residents in the city, each would receive only 50 cubic centimeters. It is necessary to sell them, but the first concern is public buildings, when a cyclone strikes. We take care of the hospitals, the secondary schools and the churches, because these buildings can shelter those who are without shelter. Then rice is sold, for example, at an official price, because the sales of this rice fund the Aid Coordination Committee for rebuilding the town.

And so I do not know if we are speaking the same language. Obviously it is always easy to criticize the people in the government. I for my part am not saying that there is no diversion of the iron or the cement somewhere--we are not angels--but I say that in the majority of cases, the gifts have been used in knowledgeable fashion.

When I am asked where the money from the BAD, the IBRD, France, the United States or Moscow went, I answer: "That road there, that bridge, that church which was destroyed--now they have been repaired."

[Question] Listening to you, one gets the impression that you are to some extent the victim of an international, domestic and general conspiracy. How do you explain this image problem you have? For in the final analysis, on reading the newspapers closely and seeing a certain unanimity about your country, one gets the impression that everything is going badly and that the threats and economic catastrophes in Madagascar are mounting? In another connection, what are the issues on which you can campaign in the coming elections, for they are approaching, while at the same time your survival is precarious, and there are perhaps those who would replace you?

[Answer] I do not know if they will find this replacement, but I am waiting! Let me answer the first question. Some time ago, please note, it was not like this! Read the article in LE FIGARO MAGAZINE. On the contrary, people said: "But how can that be? There is a clash with what we heard before." Obviously, a journalist visited and viewed the situation. Apart from the headline which "Madagascar Wants To Become French Again," the article was rather good. There is certainly more to be said about this, but I will not do so now. Several months ago, then, the situation was not the same.

[Question] Is there then only LE FIGARO MAGAZINE to come to your defense today?

[Answer] There is also LE NOUVEL OBSERVATEUR. Also note what the RFO and Reuter have reported, and you will understand.

I am happy precisely because of this opportunity to say the following.

Why is there such perseverance in disinformation? Why such stubborn ill will and ill-founded criticism of Madagascar? Is it that the socialist orientation of Madagascar is frightening? To whom? Why?

Is there fear that it is contagious? And while we are still in a phase of the national democratic revolution? We are not yet socialists. I have never said that we are in a socialist phase. Is there fear then that the Malagasy regime will infect the environs, or what?

In any case, whether I am blamed or praised, whatever the results of the actions I have been undertaking for almost 12 years now, I have a clean, clear and unchallengeable conscience, knowing that I am working for the Malagasy people, for the advance of this people, for the Third World (somewhat) and, why not, for humanity!

If I am attacked, if they want my head, my conscience is my shelter and my refuge.

[Question] There has been much discussion of economic issues, and so there are one or two questions in this connection. It has been said that you have had rather close relations with the IMF for a certain number of years. For the Marxist socialist you are, is this painful or not?

[Answer] Ask this of the Hungarians or the Romanians! They are geographically closer to you.

[Question] In terms of historic links, we are closer to you.

[Answer] Indeed, and that is why I fail to understand why there is such malevolence toward me. You are already seeking to replace me. If you have found this replacement, I would be happy to debate with him on all the issues. I have not outlived my time. I am alive, and I plan to run in the coming presidential elections.

[Question] If I have understood correctly, this means that there will thus be contradictory discussions in the course of the electoral campaign between President Ratsiraka and possible opponents?

[Answer] I have never refused that! Never! In any case, even if they have not been face to face, such discussions have always taken place. Each candidate has had his allotted campaign time on television or radio. There have even been some who have not used all of the time allocated. And whenever they campaign in a given fivondronana, district or faritany, I respond in another. Thus there has always been a debate.

But to claim that the results have been manipulated and that someone else should have won, when he only had support in 35 out of the 112 fivondronana--that is a bit much!

[Question] To return to the matter of the IMF, has it frankly been painful for you to submit to its humiliating terms, or not?

[Answer] Of course it is painful. If I could have done otherwise, I would have. But I tell you that given the current situation, given the current international economic, monetary and financial chaos, one cannot do otherwise. This is what I said in January 1987, and all that we are doing, all that we are trying to do, is to negotiate as best we can to ensure that the measures are not too burdensome for the Malagasy people. But--and we have the IMF to meet our needs, and the World Bank--when one speaks of the dilapidation of the Malagasy economy, it is necessary to begin by rectifying monetary and financial issues, and this situation has been corrected. No one can maintain the contrary. The overall operational deficit of the treasury, which was 18.4 percent of the gross domestic product, has dropped to 3.2 percent. Were you aware of that? The situation has been corrected. The current balance now is 9.7 percent, instead of 14.8 percent. Inflation, which was at 33, has dropped back to 14.5. Thus it was necessary to begin there in order to reestablish the major balances.

Now we need to ensure that these major balances and monetary recovery produce economic growth, because I have had enough of growth without development.

[Question] But in view of the unprecedented economic difficulties, Mr President, why not put your country back in the group of least-developed countries (LLDC). It seems that you are greatly opposed to including Madagascar in that category, although that would substantially alleviate the debt, for example. A country which has had equally serious economic problems, Mauritania, has just reentered that category.

[Answer] But one does not enter that category just like that! If your gross domestic product per capita is at a given level, you are in the LLDC category. If the figure is higher, you cannot be.

[Question] But at present, you are below that level!

[Answer] No, you are in fact very poorly informed. Ask the IMF and the World Bank. Ask the Ministry of Cooperation.

[Question] Is it dishonorable to return to the LLDC category?

[Answer] No, it is not dishonorable. I am telling you very simply that we do not meet the requirements for being in that category. But we do meet the requirements for enjoying the expanded facilities of the IMF. And that is something different from the "confirmation agreements."

[Question] Mr President, is it possible that in view of your original political orientation, you are very disappointed now with the aid received from the East, and are openly relying on the West to develop Madagascar?

[Answer] We talked of precisely this at the beginning, and I emphasize this statement. This is completely false, as I said in 1966 to all of the ambassadors serving in Madagascar.

First of all, I am not disappointed with the cooperation with the East. And secondly, it has never been a question of being closed to the West.

All that I have done, as compared to my predecessors, is to open up toward the East. And it is good that I did so, because we have been able to get oil from the Soviet Union for 4 years, for example, and the Soviet Union has given us 100,000 tons of rice. It is the same thing with the Chinese. They have built what is called the "nylon road in Madagascar," etc. Thus I am absolutely not disappointed. Get that out of your head!

[Question] And if you had it to do again, you would begin again...

[Answer] And I am continuing. I have just returned from Korea and Moscow, and I was able to obtain something in Moscow. But why do you say that I am disappointed with the East and not with the West? At this time I am also disappointed with the West, because there, apart from France (which I grant), there are not many countries which really understand the problems of the Third World. And it is there that I might be disappointed in the West, but I am not disappointed with the East.

[Question] You are just back from Moscow, and you said just a moment ago: "I obtained something in Moscow." What was it?

[Answer] Please let me give this information to Malagasy newsmen first.

[Question] What did you go to North Korea to do?

[Answer] I was invited in connection with the celebrations of the 75th birthday of President Kim Il Sung. He is an old friend. He has done many things for Madagascar. There are a thousand hectares of rice paddies in Ambatolampy, the House of the Pioneers and a cartridge factory. While previously we purchased ammunition abroad, we will now be self-sufficient in this sector. And then I went to negotiate on a matter which I will also discuss first with the Malagasy government.

[Question] And while in North Korea, did you also discuss relations in the security sector? Because it is said that this is one of the great specialties of North Korea in Africa.

[Answer] I have here before me an article which tells me about the North Korean "Praetorian Guard." But where did you see that? Listen, what need does an ambassador to Madagascar have for that? An ambassador to Madagascar from a foreign country is there to send dispatches and to report, whether it be to the Quai d'Orsay, the Foreign Office, the State Department, etc. But you will not find a single Korean in the presidential guard, I am sorry. There may be some Malagasy citizens with slanting eyes who resemble Koreans, but there is not a single Korean. I have no Korean "Praetorian Guard." You must erase that from your articles once and for all.

[Question] Mr President, are the Soviets continuing to demand of you what they did several years ago--in other words a certain number of facilities, such as airport privileges or the installation of consular branches in other Malagasy cities? Or have they realized that Antananarivo will always refuse to grant them such facilities?

[Answer] The Soviet Union asked for port, not airport, facilities, but you know very well what I am like. I am a nationalist, perhaps not truly nationalist, but a patriot. I am not going to force the French out of their base simply to put the Soviets in. They have long since understood that. In any case, Gorbachev has not asked this of me. He is a man with whom I get along very well, and I have no intention of giving any base whatsoever to the Soviets, nor to anyone else either. In my view, the bases in Madagascar should be Malagasy. The defense of Madagascar should be national defense.

[Question] At the very beginning of your term of office, you expressed admiration for the ideology of Kim Il Sung. Do you still feel that admiration today?

[Answer] Naturally. It is not so much admiration as appreciation, if you will.

I appreciate the fact that North Korea is a country which was completely destroyed by the war. Pyongyang was totally razed, but thanks to their own efforts, the Koreans have succeeded in making of Pyongyang what it is today.

In the days of Japanese colonialism, North Korea was a territory reserved for industry. Now North Korea is self-sufficient from the point of view of food and farm products.

North Korea has a disciplined people who want to work and who work harder than the Malagasy people (since I cannot speak of other countries). Let it be said in passing that if we had worked as hard as the Koreans, the Vietnamese or the Japanese, I assure you that we would have gone much farther and much more quickly. There is no harm in recognizing that the Japanese work well, quickly and efficiently. Japan is not communist. Nor is there any shame in saying that the Koreans work well and that they have a fierce determination to succeed.

What is "Djoutche"? It is the self-reliance urged by Nyerere, the same self-sufficiency which I urge. Thus I do not see why I should not espouse his views.

[Question] Mr President, you have always voiced your reservations, if not worry, about the increasing influence of the great powers in the Indian Ocean. Do you have the impression that they are currently disengaging from the region somewhat? Are you concerned about the increasing influence of India in the zone? How would you currently define the balance in the Indian Ocean region?

[Answer] No, I am not at all concerned. You know that we, in any case, are campaigning for disarmament. This "zero" option about which you have had so much to say in Europe--I have been talking about it for 10 years. I have

spoken of the "zero" option in the Indian Ocean, and I said that instead of a balance of terror, I want a "zero" balance, because I do not want the Indian Ocean region to become the focus of a new nuclear cataclysm during a third world war.

Thus in my opinion, the great powers or superpowers have other fish to fry instead of concerning themselves with the Indian Ocean region at this time.

[Question] Mr President, I would like to know if Madagascar still maintains trade relations with South Africa, and in another connection, I would like to know if you believe that France was right in pursuing the policy it did in Chad, in forcing the Libyan troops to withdraw from the northern part of that country? What is your judgment about the French policy in Chad?

[Answer] In answer to the first question, South Africa in my mind is a scourge. We have no trade relations with South Africa. Previously there was a consulate in South Africa, and I even visited there, because I was then taking over command of the Mailaka (a Malagasy vessel), and I saw what had happened there. As of that time, I reported to President Tsiranana that it was a mistake to have relations with South Africa. Once in the government, the first thing I did, obviously, was to break off relations with South Africa.

If there are Indian merchants who send goods to South Africa via Bombay and Nairobi, I would not have information about that. But officially, in any case, Malagasy operators do not do this. Madagascar does not maintain trade relations with South Africa.

Now you are asking me about my judgment and my evaluation of the policy of France with regard to Chad. I cannot allow myself to judge French policy, in general, and why especially in Chad? I cannot judge the policy of France in Chad. You journalists, you can allow yourselves to judge my policy!...

I recognize the GUNT because it is recognized by the OAU. In addition, the French government has recognized the GUNT, and Goukouni attended the conference of French-speaking nations in that era. I have no reason to conceal my position, but it is not for me to judge the policy of France.

[Question] But to turn the question asked you a moment ago around a bit, do you personally believe that the presence of the Libyan troops in the north of Chad was legitimate or not?

[Answer] On this I would say as did Mr Aurillac: "If you are talking about the business of the Aousou gang, it could be settled by the International Court of Justice."

[Question] I am speaking of the Libyan presence north of the 16th parallel. Do you believe that this was legitimate?

This was a conflict between two OAU member countries, and thus I believe you must have an opinion about it. Did Libya have the right to be....

[Answer] First of all, it was a domestic conflict. There was the GUNT in Lagos, and it was recognized by the OAU, with Goukouni as president and Hissein Habre as minister of defense and prime minister. Then there was the split. As of the time a country divides and one side brings off a coup d'etat, the other may appeal to a foreign country. You are familiar with this phenomenon, are you not? When the paratroopers are summoned to Kolwezi or elsewhere, you go to provide aid. If a legitimate government is destabilized by troublemakers, wherever they may come from, it is entirely legitimate for that government to ask a friendly country for aid. This was the case with Goukouni Weddeye, and Hissein Habre and Goukouni Weddeye went to Tripoli and Algiers previously, moreover, against Malloum and his predecessors. Thus as of the time a threat was felt, it was possible to demand the support and contribution of another government. In my view this is legitimate. Now as of the moment the GUNT faction began to crumble, that is their problem, and it will be debated in the OAU. I cannot prejudge what the final decision of the OAU will be in the matter.

[Question] How do you assess French economic aid to Madagascar, for in fact it has been considerable? France ranks second after Senegal, and it is keeping you alive, indirectly.

[Answer] It was not France which put me in office. Do you believe that this is free aid? You are well aware of what President Mitterrand said: "Aiding the Third World is aiding oneself." And so why not Madagascar? Isn't Madagascar a part of the Third World?

I am pleased with French aid and I am pleased that France has agreed to increase it. One is never satisfied with aid. One always wants more, but for the time being it suffices.

[Question] It appears that you are a great friend of the Elysee Palace at present.

[Answer] And the Matignon Palace!

[Question] In conclusion, Mr President, I will ask you about a contradiction I have noted, about a complex aspect of your personality. You said one day: "I am a dyed-in-the-wool socialist. I accept the economic approaches of Marxism, but I also believe firmly in God." Isn't all this a bit complicated?

[Answer] Not at all. I believe firmly in God. I say this and I proclaim it. In the Assembly of the Just, I proclaim that I believe fundamentally in God. I accept the generosity of the Marxist approach to economics and to society and social development, but this does not mean that I am a Marxist or a scientific socialist. I believe in God, and for me there is no contradiction. I am very content within myself.

[Question] Isn't there a paradox in believing in Marxism as a philosophy and believing in God, after all?

[Answer] I reject the lack of belief in God. I reject atheism. There I do not agree with Marxism. I spoke of the economic and social aspects of

Marxism, above all at its beginning. It is not because some have become deviationists that one should condemn the early Marxism, which was very generous. You cannot be unaware that some pastors, some imams and some priests do things which are not very Catholic, but one cannot condemn religion for this reason.

One must separate things. There is the initial philosophy and there is the practice of various groups. In any case, I repeat, I maintain, I insist and I state that I believe in God.

[Question] Mr President, this statement as to your credo will be your final word. I thank you and I also thank our colleagues. My thanks to everyone.

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MADAGASCAR

PRESIDENT'S STATEMENTS TO JOURNALISTS ANALYZED

Antananarivo MADAGASCAR MATIN in French 28 Apr 87 pp 1, 6

[Article by Franck Raharison]

[Text] The RTM has given us information about the trip President Didier Ratsiraka made abroad in more or less of a trickle, doubtless for the purpose of making the pleasure last. But beyond all intermediary, technical or schedule considerations, events precisely like the meeting of the chief of state with Paris journalists (Press Club on the RFI) should, in our view, be given priority. In fact, the subjects discussed on this occasion are almost all burning issues, and they thus merit both radio and television priority in Malagasy, and this has been true since Sunday, particularly as the chief of state was particularly trenchant in his remarks.

Nonetheless, we are pleased by the "speed" with which the radio system has broadcast this press conference, which should provide the people with more knowledge about the advance of the affairs of state in the social, economic and political realms, among others. While the president's pertinent comments took a while to reach us, they have not (fortunately) lost their value.

Quality

Several points held our attention in particular in the course of this Press Club program broadcast by the French International Radio, which apart from the quality of the questions asked by our Parisian colleagues, should serve the Malagasy press as an example. Let us note first of all that Mr Didier Ratsiraka, who was entirely magistral, more or less resolved the mystery surrounding the identity of those said to be behind the demonstrations and the discontent of the students. "It bothers me somewhat to mention names, but all that I know is that there is a group of three parts which are members of the Front (FNDR) and which have nothing in common but the fact that they rejected the 1986-87 budget and the 1986-90 plan. Some want the proletariat to win power, while others are working solely for excessive nationalism and concerning still others, one does not know for certain if they are leftists, rightists or centrists. But I know that responsible people among them have encouraged these students and have come forward publicly to applaud them and to say: "Continue, children." Among them there are people who have sheltered the students being sought by the police."

Everyone immediately understood what political parties were meant. The chief of state alluded here (without naming them) to the MFM, MONIMA K and the VTM. Did the meeting jointly organized in the covered stadium in Mahamasina last month by these three political organizations have some relation to the events of the past and present? A difficult question to answer. However, these three political movements, which will hold another meeting in the capital this coming 1 May, again this time without the presence of the four deputies from Antananarivo, but with Messrs Manandafy Rakotonirina, Monja Jaona and Razanabahiny Marojama presiding, will surely have some statement to make about what has been said to date.

#### Status of the Organizations

A French journalist asked during the Press Club program whether this means the end of the political system as it has existed in recent years, or whether the parties are both in the system and in the opposition. The president then commented on the "status" of precisely these three organizations. "The Front is built on a consensus, indeed national unanimity, to the extent of 94.6 percent. The election of the president, the constitution and the Charter of the Socialist Revolution are firm foundations. Thus I think that this is something real, but it is a temporary alliance against nature, involving deputies from only one city, and in my opinion it is an alliance which cannot last. Thus this cannot be," he said, "a front within the front. In my view, it is an epiphenomenon."

In another connection, the "Karana affair" once again occupied a prominent place in the course of this Press Club program. President Ratsiraka, who forcefully condemned the pillaging of which the Indian-Pakistani community has been the victim, implicitly admitted the existence of a certain ill will with regard to the Karana. He said that "The people have had enough of certain more or less secret activities, and a certain arrogance on the part of some Karana who have money." However, he berated those responsible for these difficulties, because, he noted: "Thus it soon becomes 10,000 unemployed and poor, and 80 to 90 percent of the trade in Tulear is blocked...." On this point as well, the president was crystal clear.

On the other hand, in connection with the students and the courses at the University of Antananarivo, the chief of state explained to the newsmen the need to "trim the fat from the enrollment," because the eternal students 30 to 40 years of age are blocking the way.

In short, all of this will serve as material for conversations and political speeches in the coming days. All that is wanted is for the discussions to develop within a democratic framework, free of hate and passion.

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MADAGASCAR

PRESIDENT DISCUSSES DEBT STRATEGY

Antananarivo MADAGASCAR MATIN in French 5 May 87 p 2

[Excerpts] (ANTA)--Toamasina--President Didier Ratsiraka and his wife traveled to Analavory in the Faritany of Antananarivo last Saturday.

As he had done in Fenerive-Est, in Analavory he participated in the rice and corn harvests before visiting the PROCOOPS' hog-raising center.

The speech given on that occasion by President Didier Ratsiraka focused on the national economy. In particular, he stressed food self-sufficiency which is the goal to be reached in 1990.

He also emphasized that the aid received from friendly countries could have been put in a bank account to finance his election campaign as others had done or it could have been distributed as had been done previously. On that occasion he recalled the \$3 million granted by the Arab countries which were distributed to the Fokontany, Firaiana, and Fivondronana throughout the island.

He said, "From now on aid of this kind will be used to create new jobs and to exploit arable areas that still lie fallow."

He then reported that merit and revolutionary graduates of courses in management, agronomy, and polytechnics of the University of Madagascar will be recruited by PROCOOPS, just as graduates of universities in Cuba, the USSR, and Romania have been recruited, all the more so because there is a PROCOOPS project for polytechnic students which will come into being next June.

"There are some who wish to change the constitution; however, changing the constitution will not alter the prices of coffee, cloves, or vanilla on the world market, and the prices of our imports will not decrease for all that," President Ratsiraka went on to say. "We can change the constitution ad infinitum; however, the solution to the problems of underdevelopment resides in the will of each of us to ensure the success of the revolution and to serve our country."

With respect to Madagascar's entrance into the IMF, Didier Ratsiraka explained that developing countries which are not members will suffer a great deal more than the Democratic Republic of Madagascar.

"Mauritius, for example, which does not belong to the IMF and which is not requesting a restructuring of its debts, benefits from aid from South Africa. Madagascar will never rely on South Africa," Ratsiraka asserted.

"There are three solutions which will permit the resolution of indebtedness," President Ratsiraka added.

"The first solution is for all the developing countries to refuse to pay their debts for 10 years to be economically independent.

"The second solution, which we have selected, is to negotiate with the IMF and the World Bank; otherwise we will be unable to borrow money abroad and will have to drop our projects for dams, factories, bridges, and roads because our foreign expenditures will be far greater than our revenues from exports, because of the anarchy of the economy and the world market.

"The third solution, which was selected by Mauritius, is to refrain from seeking the restructuring of debts; however, it is borrowing money to pay its debts, and Great Britain and South Africa are helping it pay its debts. For Mauritius, which has a population of 1 million inhabitants, perhaps the confection and production of sugar is sufficient for that population; however, for the 10 million Malagasy who aspire to a higher standard of living than the others, these products are not sufficient. Also have confidence because the choice we have made will permit us to attain food self-sufficiency in 1990, and this choice I promise you will lead us toward the socialist paradise.

"I ask that you not become victims of demagogues. To analyze individuals, analyze their program or the program of their party and you will realize who it is that will be able to lead you toward the socialist paradise," the president concluded.

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NATIONAL ASSEMBLY OPENING NOTED

Antananarivo MADAGASCAR MATIN in French 7 May 87 pp 1, 6

[Article by Franck Raharison: "Deputies Confront 'Post 1 May' Situation"]

[Text] Tomorrow, the National People's Assembly [ANP] will open its first session in 1987. In principle, this session is supposed to be the next-to-last of the present legislature, since elections have been scheduled for next year. We could say that today the deputies will be negotiating the last turn of the track before the homestretch budgetary session in November 1987.

Everything seems to indicate that this parliamentary session which will not end until the beginning of July 1987 will be particularly animated. And that is putting it mildly. The recent "alliance" of the four parties could well be strengthened a bit more this time by deputies occupying the middle ground (interposes). VITM, MFM, and MONIMA K might then be tempted to go into overtime in the Assembly. As for AREMA and AKFM, which have just brilliantly elected two deputies in the by-election, they will certainly reinforce their monolithism even more.

This notwithstanding, all of the debates help up to now in the ANP, although often impassioned, have never gone beyond the strictly democratic framework which the National Assembly has accustomed us to expect. No person or deputy would dare to "disturb" the mechanism which has functioned throughout the legislature and this with respect for the institutions.

Be that as it may, we are impatiently awaiting the opening address tomorrow (Friday) by the president of the ANP, L.X.M. Andrianarahanjaka. He will certainly calm emotions in the hope of bringing a little order to the ranks, by alluding to the various demonstrations which marked this famous "1 May."

In any event, these 2 months of parliamentary session will be unlike the preceding sessions. This will be an occasion for some deputies once again to disassociate themselves even further and for others to demonstrate that except for the Front there is no salvation.... To a certain degree, the preelection atmosphere which prevails at present in the country will have its repercussions and inevitably will influence the debates in the ANP. In any case, all of this is to the advantage of our young democracy!

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PARLIAMENTARY CHOICE SIGNALS CONTINUITY IN TROUBLED TIMES

Antananarivo MADAGASCAR MATIN in French 13 May 87 p 1

[Text] As was to have been expected, the deputies who met in plenary session yesterday afternoon under the chairmanship of Charles Randriananja, the senior member, unanimously adopted the report of the committee which examines the Credits Management Account for the 1986 fiscal year of the National People's Assembly [ANP]. Because the use of public funds allocated to the Tsimbazaza Palace was characterized by "commendable clarity" and because the "sound management of the credits demonstrated an admirable forthrightness," all of the deputies present at this meeting also congratulated the Permanent Bureau for such a report. The modest sum of 32,554 Malagasy francs representing the balance is an achievement that should be given recognition. And the good results produced by elected officials from the four corners of the island mark the beginning of a determination whose extension is today's elections.

With respect to the retention of the members of the Permanent Bureau, the various committees, and the session secretaries, at least for the APEMA party, which has a broad majority in the ANP, the deputies seem to have made up their minds to unite behind President L.X.M. Andrianarahanjaka. They are ready to form a bloc to demonstrate to public opinion that they are maintaining their solidarity in spite of the recent disturbances which had created waves in Malagasy political sectors.

The reelection of L.X.M. Andrianarahanjaka is not to be ruled out, and such a choice is a clear reflection of a mind set which seems to indicate this. It is even evident. In the face of suspicions on the part of deputies of other parties who have formed what some are now calling "the gang of four," AREMA has selected continuity with no changes. Come hell or high water, they will prove this today.

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MADAGASCAR

BRIEFS

OIL SHIPMENTS UP--On the subject of the remarks made by President Didier Ratsiraka in Ivato on his return Saturday, a clarification is required. The USSR will increase its deliveries of oil to Madagascar this year by 70,000 tons, bringing the total to 320,000 tons out of the 450,000 tons we consume annually. Soviet deliveries of oil to Madagascar previously had a top limit of 250,000 tons per year. Finally, in the realm of oil prospecting, there will be no withdrawal by the foreign companies, but rather a redefinition of their operations in Madagascar. For example, they will for the time being cease drilling, an activity which will be taken over by OMNIS, to devote themselves to perfecting geological and seismic studies. [Text] [Antananarivo MADAGASCAR MATIN in French 28 Apr 87 p 6] 5157

CSO:3419/249

MMM TO REJECT RELATIONS WITH LIBYA

Port Louis LE MAURICIEN in French 18 May 87 p 4

[Text] The MMM [Mauritian Militant Movement] some time ago initiated debate on its foreign policy and the attitude the party will adopt toward certain countries. According to our information, it is mainly its relations with Libya that the members of the MMM have debated the most, but henceforth, the party will take a harder line toward that country. Many persons in the opposition party have come out against dialogue with Libya. In an interview granted to LE MAURICIEN on Friday, 27 March, Paul Berenger, leader of the MMM, emphasized that: "As for Libya, we actually do not even have contacts. There is no party in Libya and we have no contact with the Libyan Government." This position of the MMM leader has been confirmed by the current debate, according to our information.

In a statement made to LE MAURICIEN this morning, a very important member of the Political Bureau who is also a member of the Central Committee, noted that a majority of the MMM condemns Libyan policy and especially the government press in Mauritius, which serves al-Qadhafi.

"The MMM knows what to go by and clearly envisages the means of consolidating ties with other countries during the period of transition following the coming to power of an MMM government. Anerood Jugnauth's government will very soon be facing a problem. We are aware of the constant danger posed by Libya's mysterious interference in Mauritius and especially the pro-Alliance press and the newspaper supporting Minister of Finance Vishnu Lutchmeenaraidoo. We in the MMM know that Lutchmeenairadoo is an unconditional supporter of Libya. He is now head of several progovernment newspapers."

Would there be diplomatic relations with Libya if the MMM should come to power? The debate is still open and heated. However, henceforth, it is said in the MMM, the prime minister designate of the Mauves and other members have reportedly claimed that there would be no diplomatic relations with the country of Colonel al-Qadhafi if the MMM should come to power.

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IMF REPORT HIGHLIGHTS ECONOMIC GROWTH, STABILITY

Port Louis LE MAURICIEN in French 16 May 87 p 6

[Article by Joseph Kakoza, Southeast Africa Division, IMF, African Department]

[Excerpts] The recent evolution of the Mauritian economy indicates that a successful financial stabilization policy can open the way to the achievement of high growth rates. The country's economic growth rate is now double the figure for the 1979-1980 fiscal year (July to June), the inflation and unemployment rates have dropped substantially and the balance of payments now shows a surplus. These impressive results, obtained by a country handicapped by inadequate resources, is explained by two elements of the government's strategy: the adoption of corrective measures before foreign imbalances become uncontrollable; and the implementation of economic policy measures spread out over several years with consistency and determination.

By the 1985-1986 fiscal year, that strategy had already yielded spectacular results: The rate of growth of the gross domestic product (PIB) reached 6 percent, compared with only 3 percent in 1979-1980. Inflation, which reached a record level of 33 percent in 1980-1981, fell to 4.3 percent. Unemployment has dropped considerably. Current foreign transactions, which recorded an unprecedented deficit of 5.5 percent of the PIB in 1980-1981, showed a surplus equivalent to 5.5 percent of the PIB. Finally, the ratio of service on the foreign debt, which had shot up to a record 26.5 percent the previous fiscal year, fell to 19.6 percent.

Adjustment of the Economic Policy

At the beginning of the 1980's, Mauritian authorities, exercising great determination and perseverance, implemented a stabilization program and wide-ranging structural measures. The program adopted, which included action on the management of demand as well as structural measures, aimed to control the growth in consumption, stimulate domestic savings and investment and take more measures to boost production and exports.

These policies were backed by five successive confirmation agreements with the Fund and two structural adjustment loans from the World Bank. Between 1979-1980 and 1985-1986, Mauritius made purchases from the Fund equivalent to 203 million in SDR and received loans from the Fiduciary Fund for a total of

9.1 million in SDR. These two structural adjustment loans amounted to a total of \$55 million and the World Bank also granted Mauritius several draft loans earmarked for different sectors.

**Budgetary and monetary policies:** The essential objective of the stabilization effort was to regularly reduce the government's budget deficit so as to increase public savings and free resources for the private sector. The budget adjustment mainly involved equipment expenditures. They dropped 46 percent in nominal terms between 1979-1980 and 1985-1986. Nevertheless, this reduction fits into the framework of the revised investment program of the public sector, which provided for a reorientation of the overall development strategy developed by the government. Other budgetary measures included a substantial reduction in expenditures for price subsidies on rice and flour, small wage and salary hikes for government employees, stricter control of other spending and a sharp increase in indirect taxes. Consequently, the overall budget deficit dropped in proportion to the PIB, going from 14 percent in 1980-1981 to some 4 percent in 1985-1986.

Nevertheless, fiscal measures increased charges affecting the sugar industry. The repeated increases in export duties between 1979 and 1983 coincided with a drop in sugar export prices and an increase in wage costs. Consequently, the profitability of the sector declined significantly.

The monetary policy was aimed at reducing the inflation rate and promoting foreign adjustments and economic growth. The reduction in the budget deficit brought about a net decline in the government's share of the expansion of overall domestic credit. This trend eased the redistribution of a growing proportion of bank resources to the benefit of the private sector, particularly the processing industries oriented toward the expanding exports. The policy aimed at maintaining positive real interest rates also helped mobilize financial savings.

**Revenue policy:** The purpose of the wage policy was to strengthen foreign competitiveness. In particular, average increases in wages and salaries were clearly lower than the inflation rate for the preceding year. In fact, while consumer prices rose by 234.6 percent between the 1979-1980 fiscal year and the 1985-1986 fiscal year, cost-of-living wage adjustments for the economy as a whole were on the average under 150 percent, which was equivalent to a reduction of 25 percent in real wages.

The maintenance of equitable differences between the different income brackets is another element of the government's wage policy. In particular, cost-of-living adjustments for the lowest wages approached or exceeded the reference rate of inflation, while for the highest wages, such adjustments were clearly smaller. Consequently, while real average wages tended to drop, the average wages of workers earning the lowest wages rose slightly. This trend resulted in a tightening of the wage range, which made it difficult for the public sector to retain qualified personnel.

**Rate of exchange policy:** The exchange rate policy played a cardinal role in checking the demand for imports and improving the foreign competitiveness and

profitability of the export sector. Two major devaluations in the early 1980's were followed by the establishment of a flexible exchange rate policy aimed at preserving the country's competitiveness. The real effective exchange rate of the Mauritian rupee, which had risen considerably previous to the period of adjustment, lost some 13 percent of its value between the month of July 1979 and July 1986, so that compared with 1975, the actual real depreciation amounted to 21 percent. This policy had particularly favorable effects on the export sector. Expressed in U.S. dollars, wages in that sector showed a net decline.

**Structural measures:** The adjustment in the Mauritian economy mainly resulted in increased production, particularly in sectors based on exports, which greatly helped reduce both foreign and domestic imbalances. The growth in the manufacturing industry geared toward exports and the expansion of production in general affected many of the policies aimed at strengthening measures promoting production and exports.

The most important one of these policies is the one linked to promotion of the industrial free zone (ZFI) set up in 1970. Enterprises operating in the ZFI enjoy a number of fiscal and credit advantages. Among the fiscal benefits is exemption from corporate taxes for the first 10 years and a reduction in that tax for the following years. These companies are also exempt from import taxes with respect to foreign purchases of equipment and raw materials. They enjoy flexible provisions for the repatriation of capital. Other advantages extended to enterprises in the ZFI include priority in obtaining loans and foreign exchange, the granting of subsidies to plant construction and substantial government aid in promoting exports abroad.

Effective 1 July 1985, within the framework of a general revision of corporate taxes, authorities modified and extended to other exporters the fiscal benefits applicable to enterprises operating in the ZFI. On that occasion, the rates of taxes on companies were reduced, the maximum rate from 55 to 35 percent. Enterprises in the ZFI set up after that date have a 15-percent tax rate throughout their existence. Enterprises operating in the ZFI previous to 1 January 1985 were able to choose the new tax system or remain under the old system. Other Mauritian producers exporting part or all of their production also obtained a reduction in the income tax of 2 percentage points for any quantity exported corresponding to 10 percentage points of their total production.

Manufacturers whose production is based on exports reacted to these advantages in a remarkable manner, particularly over the past 3 years. Gross exports of enterprises in the ZFI went from 25 percent of all exports in 1979 to some 50 percent in 1986. The zone's share of total employment went from approximately 9 percent in 1979 to some 30 percent in 1986.

Another series of a structural nature concerned the sugar sector. These measures included the reduction in 1985, the closing of inefficient sugar mills and the development of a program to modernize the sector.

By 1985-1986, price controls, which affected many products at the beginning of the adjustment period, involved only a few essential products. In addition, import quotas, which along with customs tariffs protected industries taking the place of imports, were gradually eliminated in 1985. It is partially thanks to these policies that Mauritius is now covering its food needs with respect to a number of commodities.

Given the net improvement in the economic situation, authorities are now planning to implement structural reforms in agriculture and industry. More precisely, with the assistance of the World Bank, a plan of action for the sugar industry will be continued. Its main objectives are: to increase the productivity of plantations, labor and capital; to modernize sugar mills and improve the financial results of the sector; and to provide technical assistance to small operators.

As far as industry is concerned, authorities plan to refine the tariff system by simplifying it and reducing export duties so as to reduce the protection enjoyed by industries taking the place of imports. In addition, with the assistance of the World Bank, the government is studying ways of improving the efficiency of enterprises in the public sector and making them less dependent on the government's budget. With the technical assistance of the Fund, authorities also plan to develop programs to liberalize exchange control and make management of the credit policy more flexible.

**Relations with commercial partners, donors and international institutions:**  
The success Mauritius has enjoyed to date has to a very great extent been the result of policies applied by its trading partners and financial bankers. The World Bank has granted several draft loans and two structural adjustment loans, while other donors, both multilateral and bilateral, have also helped the country in its efforts. Between 1979 and 1986, the Fund granted important aid to help the balance of payments within the framework of five confirmation agreements.

Mauritius has benefited from policies of access to markets in the EEC and the United States, but the country remains vulnerable to changes that might occur in such policies. In the past, policies of access to American and European markets for textile products have been sufficiently flexible to permit rapid growth of Mauritian exports. This phenomenon itself has engendered both domestic and foreign investments that have led to rapid growth of exports (except during the recession of 1981-1982). The EEC is buying most of Mauritius' sugar exports by virtue of preferential marketing arrangements concluded within the framework of the Lome Convention. These provisions have enabled Mauritius to obtain export prices that are clearly higher than the depressed prices prevailing on world markets from 1979 to 1986. Today, protectionist trends in certain industrialized countries are darkening export prospects of Mauritian textile products. Since Mauritius is a relatively effective producer of sugar as well as textile products, protectionism over the coming years will be a decisive factor with respect to its industrialization and economic growth.

**Political and social stability:** One crucial element underlying Mauritius' economic progress is its political and social stability, which has strengthened confidence at home and abroad. This situation has eased an energetic implementation of investment and economic policy reforms. The favorable climate has permitted dynamic growth of private investments, both at home and abroad. The country has also been able to ward off risks of both a capital and brain drain.

**Prospects:** Although considerable progress has been accomplished, the economy remains vulnerable. To consolidate the results of recent years, it will be necessary to continue implementation of structural reforms in the sugar, industrial and public sectors. Given the country's vulnerability to cyclones and exogenous factors, the level of international reserves should be increased. In order to do so, there must be a steady growth of exports, accompanied by a diversification of products in the industrial free zone and continued openness of foreign markets.

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OPPOSITION UNASSURED OF CONTINUED PARLIAMENTARY MAJORITY

Port Louis LE MAURICIEN in French 6 May 87 pp 1, 8

[First two paragraphs are LE MAURICIEN introduction]

[Text] The opposition continues to hold a majority in Parliament, but 10 deputies--either "undecided" or censured by the Rault Commission--could determine the fate of the budget and the date of the next general election.

Between now and the by-elections, the balance of power in Parliament definitely favors the opposition which holds 31 of the 67 seats currently occupied, to the government's 26.

But the situation in Parliament places the key to the majority, and consequently the fate of the budget which the Jugnauth government wants to submit on 6 October, in the hands of some 10 deputies who are "undecided" or who were expelled or resigned from the MSM [Mauritian Socialist Movement] or the RTM after having been found guilty of drug trafficking. These 10 deputies could also enable the MSM to put off a general election until after October or even later.

The 10 deputies are: Messrs Y. Mohamed and K. Purryag (PTR [Labor Party]), K. Bhayat and R. Beedassy (MSM undecideds), K. Pillay (independent), D. Kim Currun (resigned from the MSM), and S. Thomas, A. Chinien, S. Pelladoah and I. Nawoor (censured by the Rault Commission).

By recruiting among the 10 deputies and by banking on the two by-elections in the south, the MSM has hopes of rebuilding a governmental majority to prevent elections from being held before October and to pass the budget.

However, LE MAURICIEN is in a position to state that for the present, Mr Jugnauth has not officially adopted these calculations. Rather, they are the work of the other members of the party's political bureau. Will the prime minister take an official stand with regard to the 10 deputies who, for one reason or another, have distanced themselves from the government? What we do know is that he has left it up to Messrs Ramjuttun and Ajay Daby and other members of the political bureau to go about the recruiting his government needs in order to cross the threshold of 31 deputies.

The vote of Deputy K. Deepalsingh could also be sought, but the former minister of agriculture remained the subject of a virulent MSM campaign as late as last week. Dr Ramjuttun is counting heavily on the votes of Messrs Bhayat, Pillay and Beedassy in the arithmetic that he and his colleagues at the MSM political bureau have been doing for several days.

The price that Mr Jugnauth will have to pay to the "undecideds" and to the others in terms of "tickets," may be a high one at a time when a number of problems have already arisen in negotiations with the PTR and the PMSD [Mauritian Social Democratic Party], without mentioning the role that the RTM could play. Indeed, Mr Jugnauth most likely does not consider returning to power, in the event of a victory, in order to be at the mercy of the "undecideds" or his other allies. Moreover, in the "committee stage" of the budget, there could be a great deal of bargaining and pressuring on nearly every important item. Finally, no one has a certain victory in the by-elections in the south.

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PRIME MINISTER DISCUSSES CONSEQUENCES OF BUDGET VOTE

Port Louis LE MAURICIEN in French 11 May 87 p 1

[First paragraph is LE MAURICIEN introduction]

[Text] The prime minister, Mr Aneerood Jugnauth, could, if the budget is passed, put off elections until 1988. This was learned in an interview that Mr Jugnauth granted in his office on Friday to Mr Maurice Botbol, managing editor of the international weekly, LA LETTRE DE L'OCEAN INDIEN. Mr Jugnauth stated that submitting the budget was part "of one scenario among several, which I have already raised."

According to the prime minister, the 1987-88 budget will be submitted to parliament on 6 October and the opposition will be called upon to vote in favor of it. "If the budget is rejected, we could organize elections within 2 weeks," Mr Jugnauth said in response to a question.

"The opposition will take responsibility if the budget is rejected and if government employees are not paid their salaries and go hungry," Mr Jugnauth stated.

Asked whether the deputies found guilty of drug trafficking would take part in the vote on the budget, Mr Jugnauth firmly stated that while they have indeed been expelled from the ranks of the government, he did not plan to prevent them from sitting in Parliament because they are protected "by the Constitution of Mauritius" and will also have to assume "their responsibilities" when called upon to vote on the budget.

However, even if the MMM [Mauritian Militant Movement] votes against the budget, Mr Jugnauth will not lose hope of seeing it pass. He believes that some deputies will split with the opposition and vote with the government.

Once the budget is passed, "we have until August 1988 to go," Mr Jugnauth said.

In addition, the prime minister wished to make it clear that his relations with Sir Gaetan Duval are "very good." "Do not believe that we are on bad terms," he added. "We are on excellent terms."

Mr Jugnauth also reiterated his offer of the offices of Deputy Speaker and Chairman of Committees to opposition deputies. The MMM may avail itself of that offer, if it wishes, the prime minister stated.

The head of government also believes that "politics is a sport in Mauritius" and that "the country cannot live without politics." He was responding to a question the journalist had asked on economic progress, which has continued even through the worst moments in the political crises the country has been experiencing for several years.

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WORKERS FEDERATION OPPOSES BUDGET DELAY

Port Louis LE MAURICIEN in French 16 May 87 p 4

[Text] The General Workers Federation (GWF) has protested the government's decision to present its draft budget in October. The trade union organization claims that the budget should be presented in June or July, as is generally the case, so as not to penalize workers and so they may obtain their compensation.

In a bulletin released to the press yesterday, it is stated that the GWF harshly condemns the prime minister's statement on presentation of the 1987-1988 budget in October. While protesting the proposal, the GWF deems it inadmissible that workers, the unemployed and other low-income social categories should have to wait until October to obtain their compensation and above all, that they should be able to recover the purchasing power lost over the course of preceding years.

Regarding recent fiscal measures taken by the government, the GWF notes the drop in prices on certain luxury and semi-luxury items, but notes that "nothing has yet been done regarding basic goods, particularly foodstuffs." The GWF also expects the cost of public transportation, electricity and water to go down, the bulletin states, because of the favorable economic situation. "All Mauritian workers expect their efforts and sacrifices to achieve the economic recovery now underway will be rewarded."

Finally, the GWF condemns what it calls "the shameful political blackmail of the prime minister aimed at the mass of wage earners and involving the use of scornful language," as reported in the press. The prime minister stated that "the opposition will assume its responsibilities if government employees do not receive their salaries and starve to death as a result of the possible rejection of the budget."

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RIGHTS GROUP DEPLORES DELAYED OPENING OF PARLIAMENT

Port Louis LE MAURICIEN in French 12 May 87 pp 1, 3

[Communiqué of the Committee of Democratic Rights (CDD) signed by the CDD secretary; first two paragraphs are LE MAURICIEN introduction]

[Text] In a communiqué issued to the press, the Committee of Democratic Rights (CDD) announced that it opposes the convening of Parliament on 6 October and asks that the legislative assembly be called into session at the earliest date, not at the whim of a government subject to internal crises. According to the CDD, it is a slap in the face of democracy. In the same communiqué, the CDD also decries the acts of violence that have occurred at certain political gatherings and rallies of late. It asks "that the police commissioner take firm and swift action, not only to halt disturbances by hired bullies, but also to restore the people's trust in those whose job it is to maintain law and order in this country."

The following is the text of the CDD's communiqué:

"The Committee of Democratic Rights (CDD) was shocked to learn of the government's decision not to call Parliament into session until October. For the CDD, this decision is nothing less than a slap in the face of democracy and an insult to our democratic institutions.

"It is, in fact, unacceptable for those in power to make a mockery of the very symbol of democracy--government by the people and for the people (?)--because of their internal political disputes and their inability to build a majority. This abuse of power and flagrant denial of democratic rights must be denounced with the utmost rigor. We are compelled by other reasons as well to condemn such a decision and demand that Parliament be called back into session as soon as possible:

"(a) Parliamentary sessions should be held with regularity and not as dictated by the whims of the government.

"(b) Deputies and ministers are paid out of public funds and through Parliament, must account for their actions to the taxpayers and to those who elected them.

"(c) The adjournment of parliament until October would mean that the deputies charged by the investigating commission on drugs would be paid their salaries (the people's money) for 10 months and continue to enjoy the privileges of office.

"The CDD wishes to recall at this time that the politicians now in power are those who condemned such postponements of Parliament when they were in the opposition under the Ramgoolam government.

"For these reasons therefore, the CDD appeals to the vital and democratic forces to condemn vigorously the convening of Parliament in October and asks all opposition parties to consider a common strategy against this stifling of democratic life.

"In addition, the CDD is concerned to note that political gatherings and rallies have of late been troubled by acts of violence. Such infringements on the freedom of expression of those politically opposed to the instigators of these acts of violence constitute a very serious threat to the future of democracy in Mauritius. The CDD is also worried by the failure of the police present at the time of the incidents to respond and asks that the police commissioner take firm and swift action, not only to halt disturbances by hired bullies, but also to restore the people's trust in those whose job it is to maintain law and order in this country."

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MMM CALLS FOR EARLY ELECTIONS

Port Louis LE MAURICIEN in French 12 May 87 pp 1, 8

[Text] The MMM [Mauritian Militant Movement] did not take long to reply to the statement, published in yesterday's edition of LE MAURICIEN, by the prime minister, Mr Aneerood Jugnauth. The prime minister had indicated that the opposition would be responsible if the 1987-88 budget is not passed by the Assembly. Responding for the MMM, Mr Prem Nababsing, who is designated to become prime minister in a "Mauve" party government, stated last evening in Epinay that it is not the opposition's role to keep the government in power. He issued the following challenge to Aneerood Jugnauth: "If the government has a majority, let it submit the budget in June and call a general election as soon as possible."

He also reprimanded the prime minister who, although referred to as "the prime minister of uncommon integrity" by Sir Maurice Rault in his report, told an international journalist that he would seek the votes of deputies censured for drug smuggling to pass his budget and remain in power. For his part, Mr Paul Berenger, leader of the "Mauves," called everyone to the test: dissidents from the MSM [Mauritian Socialist Movement], the PTR [Labor Party], the FTS, all those in protest, the PMSD [Mauritian Social Democratic Party], as well as the Sir Maurice Rault and the governor general. All are in fact calling for a general election and the MMM is waiting for them, the governor general included, to accept their responsibilities. Mr Berenger declared that he is waiting for a response from Sir Maurice Rault who has had nothing but praise for Mr Jugnauth while the government has failed to take action against those censured by the report and the prime minister "of uncommon integrity," who referred to the drug-dealing deputies as "brown pigs (cochons marrons)" that should be chased out, now publicity states that he will rely on their votes. The MMM leader asked, "What will Sir Maurice Rault have to say?" He added that there will be developments in the days to come, Mr Berenger said, "Well in advance of the by-elections, we can put the government in the minority and every politician should meet his responsibilities. We cannot allow Jugnauth and the dangerous 'dimounes' around him to win and put the country on a dangerous course."

The government must step down if it does not have a majority. The plan to submit the budget in October is merely a political ploy by the Alliance to remain in power, "but we give him 5 months notice that the MMM cannot vote

for the budget," Mr Nababsing stated. "If the government is as strong as it claims, let it submit the budget in June as usual. As of now, deputies and politicians must assume their responsibilities. Let each of them state openly here and now who will vote for the budget and who will not. The message is clear. The country is plagued by confusion and it is time that everyone take a stand once and for all. It is not possible in a democracy to play with the future of a country as the prime minister's entourage is doing now." Mr Nababsing continued, "For there to be order in the country, there must be order in Parliament." "The government, most of all the prime minister, has done a great deal of talking about the commission investigating drugs, but the country is now discovering that the mafia is bringing still more drugs into the country. Nothing has been done. More serious still, the speaker of the assembly, who should act as judge in Parliament, has stated in the past 5 months since he began his campaign that he would not preside over an assembly where drug traffickers sit. He now says that he will call Parliament into session on 6 October. But, Mr Nababsing asked, will the speaker preside impartially over Parliament?

"Why," Mr Nababsing asked the audience, "did Aneerood Jugnauth call elections in 1983 when only 12 ministers had left his government and he admitted he did not have a majority and now that he has fewer deputies to form a majority, why does he refuse to go to the polls? The answer," Mr Nababsing stated, "is that the prime minister knew, in 1983, that he could win an election, but the Alliance knows from the government's recently conducted polls that it cannot win now. The government," he continued, "has two options: It can either go to the governor general and tell him that it does not have a majority and that Mr Jugnauth must be replaced by someone who can command a majority in Parliament, or it can dissolve the Assembly and call the country to the polls." "When Mr Jugnauth asks the opposition to assume its responsibilities and vote for the budget," the MMM stated, "the government is on the wrong track. It is not up to the opposition to prove that it has a majority in Parliament; it is up to the government to prove that it 'commands the House.' It is deplorable that Mr Ajay Daby, who some time ago declared that he could find the means to suspend the drug-smuggling deputies, that a way must be found to keep the deputies censured by the Rault report out of the Assembly, is now singing a different tune."

In brief remarks, the MMM leader, Mr Paul Berenger, said that these are serious times for the country. "The government has undergone a palace coup and Aneerood Jugnauth is no longer surrounded by the likes of Dulloo and Bappoo but by the likes of Ramjuttun, Daby and Lutchmeenaraidoo--the most dangerous elements in the Alliance. Parliament has not met since last October and it will be a year before it meets again," Mr Berenger stated. "The government claims that if the budget is not passed on 6 October, it will dissolve the Assembly and call a general election within 2 weeks. Either Aneerood Jugnauth is not telling the truth or he does not know the law." Mr Berenger added "He does not have the right to call elections until at least 1 month after the dissolution of the Assembly. Zotte oule faire croire qui certains dimounes au sein du MMM pou donne zotte coup de main pour faire passe le budget et ene certain la gazette qui pe donne ca banne fausse nouvelles-la. Zotte faire croire zotte per capave acheter certaines dimounes [Creole words]."

"The prime minister had said in Mahebourg that the drug traffickers must be chased out like brown pigs and yet he stated to LE MAURICIEN yesterday that the drug traffickers must assume their responsibilities. I am waiting for the reaction of Sir Maurice Rault who referred to the prime minister in his report as 'of uncommon integrity.' The same prime minister is forced to appeal to deputies censured in the Rault report. I remind Sir Maurice Rault of his responsibilities: si li ena conscience de ce qui pe passe mo le guette qui li pou faire [Creole words]."

Moreover, Sir Gaetan Duval has stated to the press that he knows that the government does not have a majority to govern and that investors are panicking. This is harmful to the country. The country is moving in dangerous directions."

Speaking on the social situation, the opposition leader remarked that undesirables are at work under the very nose of the police who are unable to respond. With all due respect to police officers and to this respected and respectable body, the police commissioner, Mr Kowlessur, is giving free rein to hoodlums. "Kowlessur must respond." The opposition leader remarked that a country has serious problems when not all is right in the legal system. He cited as an example the fact that the son of Sir Satcam Boolell, minister of agriculture, can be seen at a public podium, while some civil servants do not have the right to appear on a political platform. "Cotte l'indépendance judiciaire avec la police fine passer? [Creole words]"

Mr Berenger made an appeal to all those demanding that Parliament be dissolved and a general election held: "Let the dissidents from the MSM/OPR the FTS, the Socialist Party of Gayan or even Bundhun, and the PMSD assume their responsibilities. (The PMSD knows who betrayed it from within the Alliance.) Before 5 July, the country will see some developments," Mr Berenger concluded.

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MMM SCORNS ROLE FOR DEPUTY-TRAFFICKERS

Port Louis LE NOUVEAU MILITANT in French 17 May 87 p 3

[Text] In a press conference last Friday, the MMM strictly criticized the behavior of Prime Minister Aneerood Jugnauth, who now would like to rely on the vote of four deputies who were indicted for drug traffic--Pelladoah, Chinien, Navoor and Thomas--in order to have the budget passed. The MMM considers contemptible the irresponsible and dangerous blackmail on the subject of the budget. Furthermore, the MMM strongly condemns the "brutal, arbitrary and barbaric" dismissal of Mrs Dabee-Bhunjun, secretary of the town of Curepipe. It is obvious to the leader of the opposition that the Alliance will receive in the next partial elections the same type of lesson it was given in the municipal elections.

The leader of the opposition, who was surrounded by Prem Nababsing, Dharmanand Fokeer, Cassam Uteem and Jean-Claude de L'Estrac, recalled that from August 1983 to December 1985 Prime Minister Aneerood Jugnauth had governed the country either by using or tolerating communalism, repression, fraud, corruption and drugs. From the beginning of 1986 to 1 May 1987, after the Amsterdam affair, Jugnauth tried to change personae and to put the blame for all the faults of the 1983-1985 period on Harish Boodhoo. "Starting with 1 May last, Jugnauth revealed his true face once again, that of 1983-1985, for it was then that he said that he will count on the votes of the deputies-traffickers. He has engaged in discussing blackmail concerning the budget and has tolerated and encouraged the power of cagers; on Thursday we witnessed in the Curepipe municipality the brutal and arbitrary dismissal of its secretary, Mrs Dabee-Bhunjun," Berenger pointed out.

The MMM, Berenger specified, considers the situation as extremely grave for the country and that should a palace revolution and an end of the system come about, it would be the most dangerous and irresponsible elements within the government, such as Ramjuttun, Daby, Lutchmeenaraidoo and Jugnauth personally, who will bring about the darkest hours of the country.

A Question for Maurice Rault

Berenger emphasized the fact that Mauritius had still not sufficiently become aware of the enormity of the decision taken by Prime Minister Jugnauth of

relying in parliament on the votes of Chinien, Pelladoah, Thomas and Navoor, four deputies who were indicted for drug trafficking by the Rault Drug Investigation Commission. "Every Mauritian, including Sir Maurice Rault, who, in his interim report described Jugnauth as a 'prime minister of uncommon integrity,' should react to this. It is revolting and shocking for Aneerood Jugnauth to suggest now that these four deputies-traffickers to come to parliament as it reopens, to be saluted by the police guarding the parliament, and to be respected and protected by the speaker and tolerated by the opposition," Berenger said.

Berenger also warned the population against the gossip which is being spread every day by the group running the government. They are engaged in disinformation, poisoning and manipulation using the newspaper of the MSM and manipulations achieved through the publication of some articles in the independent press. Within this context he hinted that every day fabrications are being created to make it believe that the MMM deputies would join the government or that a conflict exists within the MMM. "This is a facet of a dangerous and irresponsible behavior on the part of such people," Berenger said.

#### Jugnauth-Thomas-Chinien

He also said that the fact that since the first of May Jugnauth has once again shown his true face, it means that he is asking to be given a harsh lesson at the forthcoming partial elections, as he had received at the municipal elections of December 1985. By the will of history each of the two districts where partial elections will be held will include a deputy-trafficker already indicted in the Rault report. In the first case this applies to Chinien and in the second, to Thomas, on whom Jugnauth is relying at the reopening of parliament," Berenger said. He concluded by saying that the voters of Mahebourg/Plaine Magnien and Riviere des Anguilles/Souillac assume a tremendous historical and moral responsibility.

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DISSIDENT LABOR PARTY GAINS SUPPORTERS

Port Louis LE NOUVEAU MILITANT in French 17 May 87 p 2

[Excerpt] Four members of the Labor Party Executive, Suresh Benyparsad, Cassam Chukoury, Nishansingh Chubbah and Prem Ramloll resigned from Sir Satcam Boolell's party and joined the Baichoo group. The labor dissidents who held their first meeting on Friday at Riviere du Rempart are establishing the final details prior to setting up a new political party--the Rangoolum Labor Party--the symbol of which will be a flower.

Baichoo's friends have already indicated that they intend to be competing and to participate in the next general elections to block the MSM/Boolell Alliance. This coming Tuesday Baichoo and his friends could proclaim the founding of their party, which would embody the ideas of Rangoolumism.

The resignation of these four members has raised the number of laborites who have rejected the leadership of Sir Satcam Boolell last year to 22. Baichoo and his friends, who resigned from the Labor Party, accuse Sir Satcam Boolell of having "made Ramboolamist philosophy deviate in order to auction to Jugnauth a party with a glorious past." "We are true laborists and we shall be present to bear high the torch left by the late Sir Seewoosagur Rangoolum," they said.

As far as the founding of a new political party is concerned, the discussions have reached a very advanced stage and an important meeting is planned for this morning, to finalize its modalities. A consensus is already apparent within the Baichoo group on giving to the party the name of Rangoolum Labor Party (PTR). As far as the party's leadership is concerned, a spokesman for the group said that initially it will be a collective leadership of three people, and that Anil Baichoo will be its first secretary general. The announcement about the party will be made Monday evening.

Dissident labor circles have indicated that it is quite likely that the Boodhoo group may join this new political party. Should this happen, Harish Boodhoo will be one of the three members of the triumvirate which will guide the Rangoolum Labor Party. Let us note that Harish Boodhoo was present at a meeting of labor dissidents at Riviere du Rempart, last Friday. Actually, Jugdish Meeheelaul, who chaired the meeting, thanked Boodhoo at the end of the meeting, for his moral support for the dissidents.

At their first meeting, which had drawn a crowd estimated at more than 1,500 people, the labor dissidents concentrated their fire on Sir Satcam Boolell and Prime Minister Aneerood Jugnauth. In turn, Simadree Virahsawmy announced his candidacy for Riviere du Rempart/Piton in order to make sure that Jugnauth would be defeated in the balloting. "We will also be present in the south, to ensure Jugnauth's defeat in the partial elections," he said.

Baichoo said that Sir Satcam Boolell does not care for the Labor Party and that he is promoting nothing but his own interests. Baichoo said that it was high time for Sir Satcam Boolell to surrender the Labor Party leadership to Dr Navin Ramgoolam. The former secretary general of the Labor Party said that Sir Satcam Boolell had destabilized the Alliance Government as a revenge for his dismissal. "Sir Satcam Boolell had incited Bhayat, Purryag, Gayan and Pillay to resign from the government in January 1986. In July 1986 he encouraged Deepalsingh, Soobadar and Beedassy to leave. His strategy is to bring the wall down block by block. But having accomplished this, he goes on to prop it up," Baichoo said.

Baichoo claimed that in order to achieve his political ambition, Sir Saccam Boolell had assigned him in 1986 to negotiate an alliance with the MMM.

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## BISHOP DEPLORES PRICE OF ECONOMIC SUCCESS

### Statements Made During Workers' Mass

Port Louis LE MAURICIEN in French 2 May 87 pp 1, 4

[Report on sermon by Jean Margeot, bishop of Port Louis, during a workers' mass at St. Mary's Secondary School in Rose Hill on 1 May 1987]

[Excerpts] "On 7 May, at a mass at Mary Queen of Peace, I will tell you who to vote for in the upcoming elections. I will not mention candidates or parties by name. Instead, I will present the profiles of those who deserve your vote." That announcement was made by Jean Margeot, bishop of Port Louis, in his homily during the mass on 1 May at St. Mary's Secondary School in Rose Hill.

Turning to a theme that originated abroad--the "Battered Society"--J. Margeot said there were obvious signs of such a division in Mauritius as well. He thus condemned communalism, pointing out that it centers on its community rather than on the fatherland. He also talked about the split between social classes, which consist of "those who have and those who have not; those who have political, financial, and economic power and those who have neither power nor a voice."

Continuing his review of local realities, J. Margeot turned to the free zone. Putting its beginnings in context, he explained that after the eradication of malaria in the late 1940's, strong population growth was predicted. Three solutions were suggested: birth control, emigration, and economic development. In the bishop's opinion, birth control is an accomplished fact, since we have achieved zero growth. Concerning emigration, he said that while it has good effects, it also has bad ones.

### Free Zone: Economic Success

He estimated at between 4,000 and 5,000 the number who leave each year. The Catholic Church loses good baptized members as a result, and that led him to speak of a "weakening." As for economic development, he said that at the time, no one was aware of its precise significance in terms of social effects. Along with tourism, the free zone made its appearance in the 1970's with four

firms employing some 600 people. According to last year's figures, there are now 318 firms with a labor force of 61,700. The bishop then said that while unemployment is rife all over the world, Mauritius has recorded a decline, the employed active population having gone from 21 percent to 15 percent [as published]. J. Margeot added: "Honesty requires recognition that the free zone (which currently provides 71,700 jobs) is an economic success." But, he said, "the same is not true in the social area or in family life." After noting that in 1986, for the first time in years, there were more exports than imports, he said that the national debt was now taking only 19 percent of the gross domestic product, compared to 46 percent 3 years ago. The bishop attributed the recently announced tax relief to the (relatively) good economic health existing in the country. From there he went on to discuss the harmful effects of Mauritian-style industrialization of the free zone type.

#### Humanization Necessary

He said: "But we should not look only at economic success, because the huge financial resources available mean that the rich may become richer while the poor become poorer. The poor must benefit from growth. It is necessary to define tax and incentive measures that will lead in the direction of a fair redistribution of wealth." Concerning life in the factories, the bishop said: "The free zone must be humanized. It is a necessary sector; without it, the country might have experienced social revolution. But with the free zone has come a mutilated society. The workers do not have the necessary time for their families, training, or church activities. We need to take another look at overtime, which is uncontrolled. Workers find themselves being called in on weekends and even on Easter. That needs to be looked at. We need to reach a state of equilibrium in which the workers are the first to be considered."

J. Margeot also expressed his point of view concerning the place of union leaders in the free zone, saying: "Have their consciences been bought? Have they been corrupted? They are not seen there anymore. They no longer have the strength they once had. Union action is necessary, but it must be honest. One must not ask for the moon." He said he had taken note of the proposals by the National Remuneration Board (which included a 15-percent pay increase), and he described them as "very good." J. Margeot then stressed the need to humanize the free zone, "where the workers must not be robots." He even said that "participation in decisionmaking" should be introduced in that sector.

#### Unions' Rebuttal of Bishop's Remarks

Port Louis LE MAURICIEN in French 4 May 87 pp 1, 12

[Text] Two union federations represented in the free zone reacted this morning to remarks concerning the role of unions in that labor sector which were made by Bishop Jean Margeot during his homily at the mass on 1 May. The General Workers Federation (GWF) and especially its affiliated union, the Textile and Clothes Manufacturing Workers Union [TCMU], while respecting the bishop's right to speak and especially his position, do not agree with everything said by the head of the Catholic Church.

For its part, the United Workers Federation [FTU] has been compiling a voluminous dossier since this morning, and it will send the result to the bishop to apprise him of the many steps it has taken on behalf of workers in the free zone. A delegation from the FTU will also visit the bishop's office.

In his homily on 1 May, Bishop Jean Margeot made no bones about saying what he thought of union leaders in the free zone. His allusions were pointed: "Have their consciences been bought? Have they been corrupted? They are not seen there anymore. They no longer have the strength they once had. Union action is necessary, but it must be honest. One must not ask for the moon," said Margeot.

This morning, the GWF appointed Yousoof Sooklall, in his dual capacity as the ICMU's deputy chairman and chief negotiator, to express, "with all the customary respect," the shock caused in that union by those remarks.

According to Sooklall, "the GWF is surprised that the bishop should have chosen Labor Day as the day on which to make unjustified and general remarks instead of preaching unity among workers. The GWF firmly dissociates itself from his statement. We feel that if the bishop says unions are nonexistent in the free zone, he is not well informed. Instead of wondering about the consciences of the union leaders and asking himself whether they are corrupt, Bishop Margeot would have done more to help the struggle to humanize labor by explaining to working men and women the need to join the union. A great majority of the labor force in the free zone does not belong to a union because unions are discouraged."

In the opinion of the GWF, the lack of harmony among unions is due to each one's ideological choices—the union policy pursued by each central union. On that subject, the GWF's representative says that "knowing Bishop Margeot's courage, one can hope that he will unhesitatingly take a stand in favor of the GWF's call for a common front by the unions."

While acknowledging the bishop's democratic right to comment on any subject affecting man and society, the GWF regards as profoundly unjust the remark concerning unions that "ask for the moon." The federation is asking the bishop to take another look at the union demands submitted to the National Remuneration Board, particularly the one concerning abrogation of the Industrial Relations Act, all the more since the NRB is the only body empowered to change conditions in the free zone.

The GWF says it is not in its interest to get involved in a controversy with the head of the Catholic Church. On the contrary, "the bishop, precisely because of his high office, is in a position to help bring progress in the fight for amendments to the Economic Processing Zone Act (of 1970) by joining the struggle against excessive overtime, against the 'double cut system' (deducting 2 days of pay for 1 day of absence), and for better planning of overtime hours."

The GWF nonetheless says it supports Bishop Margeot if the head of the church was referring to union leaders who talk one way in the workplace and at press

conferences but who, when they are on a political platform, justify measures going counter to the interests of the workers.

Lastly, the GWF announces that in the days to come, it will call for a front to consist of unions, political parties, and individuals interested in putting more humanism into the free zone and says it hopes sincerely and ardently that Bishop Margeot himself will participate in one way or another.

Alain Laridon of the FTU does not share the views of the bishop, who he says may have been poorly informed concerning the real activities by unions in the free zone. The FTU recognizes the bishop's democratic rights but hopes to persuade Margeot discreetly by presenting him with a voluminous dossier on the subject.

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## IMPORT DUTIES TO BE REDUCED

Port Louis LE MAURICIEN in French 2 May 87 p 12

[Excerpt] Customs duties on small-engined cars (less than 1,100 cc and from 1,100 to 1,300 cc), motorcycles, mopeds, refrigerators, television sets, jewelry, cosmetic products, and other items are being reduced by from 10 to 173 percent effective today. In addition, effective this morning, customs duty will no longer be imposed on trucks, vans, bicycles, or bus chassis assembled locally, while the importation of used automobiles is now banned.

Those were the measures announced on Thursday by Minister of Finance Vishnu Lutchmeenaraidoo, and they are the result of a reorganization of customs duties, that being the condition imposed by the World Bank for granting Mauritius credits on the order of 300 million rupees under the Industrial Sector Adjustment Loan (ISAL). The African Development bank (ADB) is also participating in the ISAL with an amount of 450 million rupees. The loan will be paid out in two equal installments of 375 million rupees each over a period of 2 years. The reductions in customs duties announced by the minister are part of the first phase of tariff reorganization, meaning that more reductions are to take effect after 1 year.

Lutchmeenaraidoo emphasized that the government had promised the World Bank and the ADB that it would alter customs tariffs to a) reduce the protection enjoyed by firms producing substitutes for imports, and b) encourage local industry to become more competitive and to gear itself even more toward exports. The minister explained that it had been necessary at first to encourage the substitution industry. That sector grew very quickly, but because of the small domestic market, it became necessary to consider exporting our products to give the national economy a boost and create jobs. In 15 years, the free zone has become the chief generator of foreign exchange and jobs. "The country's economic future is in exports. It is natural, therefore, that local production should turn to exports, thus making economies of scale possible. But that approach requires that Mauritian products be competitive in terms of price and quality. The changes called for under the ISAL will help make Mauritian production competitive," the minister said.

As part of its reorganization of customs tariffs, the government has decided to change the way in which the rates are presented. Tariffs will now be shown

in two columns (preferential tariffs and general tariffs) instead of three (so-called fiscal tariffs, general tariffs, and preferential tariffs). A third column will be added later for trade with countries in the preferential trade zone of East Africa and southern Africa. Preferential tariffs apply to products from the Common Market, the United States, South Africa, Australia, Canada, Hong Kong, India, Malaysia, New Zealand, Pakistan, Singapore, and Kenya. General tariffs apply to products imported from, among other places, the PRC, Taiwan, Japan, Thailand, the Soviet Union, and Switzerland.

Lutchmeenaraidoo said he had insisted on leaving alcoholic beverages and cigarettes alone during the first phase of the reorganization. He emphasized: "Any change in the tariffs on those products will have a social impact and harm local firms. We have no interest in encouraging people to drink." A thorough study will be conducted before a decision is made. The minister also announced that any reduction in customs duties might be offset by the introduction of an excise tax, which would be imposed on both imported products and products manufactured locally.

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MAURITIUS

BANK OF MAURITIUS MAKES RECOMMENDATIONS

Port Louis LE MAURICIEN in French 19 May 87 p 4

[Text] Continuation of the policy to control demand, maintenance of a non-inflationary monetary policy, preservation of the competitiveness of our exports, a prudent wage policy and a realistic exchange rate policy, improved productivity and diversification of the industrial base: These are the measures recommended by the Bank of Mauritius in its annual report for 1985-1986 in order to achieve the economic recovery begun in 1983 and ensure its long-range success.

The Central Bank states that this fiscal year offers even better prospects. The growth rate is an estimated 6 percent, while unemployment should drop (down from 15 percent in June 1986 to 12 percent in June 1987). Guaranteeing that there would be no major problem, the Bank of Mauritius predicts that performance in the three key sectors of the Mauritian economy (sugar industry, the free zone and tourist industry) should be better than in 1985-1986. The stability of prices on the local market, sustained by a suitable monetary and fiscal policy, accompanied by the emergence of a favorable international economic environment (drop in oil prices, a lower dollar and interest rates) would help boost the national economy. The Central Bank also believes that the current account and balance of payments will leave positive balances that will be higher than in 1985-1986, thus increasing the level of the country's reserves. Already, by the end of March 1987, those reserves represented the equivalent of three months of imports (2.5 billion rupees), while by the end of June 1986, they amounted to only 747 million, or four weeks of imports.

Middle Income Group

Reviewing the country's economic and financial situation in 1985-1986, the Central Bank believes that the developments which have occurred in the course of this fiscal year show that the Mauritian economy has responded remarkably well to the stabilization programs. The growth rate for 1985 was 6.5 percent compared with 4.7 percent in 1984. Expressed in American dollars, the gross national product (GNP) per capita rose by 23 percent, going from \$749 in 1984 to \$922 in 1985. "Mauritius is thus comfortably seated among the middle income group of countries in the world," the Central Bank states.

The report indicates that the level of savings has gradually risen at a rate higher than in 1984 (30 percent compared with 21 percent). In percentage of the gross domestic product at market prices, savings rose 21 percent in 1985, 3 percent more than in 1984. There has also been a 20-percent increase in investments, while foreign investments, amounting to 12 million rupees in 1983, reached 158 million in 1985.

#### Positive Balance After 10 Years

On the commercial level, export receipts were an estimated 7,305,000,000 in 1985-1986, an increase of 30 percent. The cost of our imports totaled 8,565,000,000 rupees, an increase of 19 percent. It should be noted that the value of our imports rose by 25 percent in 1984. The Central Bank emphasizes that gross receipts of the free zone exceeded those of the sugar sector. In 1985-1986, the free zone exported 4,089,000,000 rupees worth of goods, but imported 3,128,000,000 worth. Net receipts of the sector went from 992 million to 962 million rupees from one year to the next.

The report also emphasizes a remarkable fact: For the first time since 1975, the current account of the balance of payments showed a positive result of 134 million rupees. The current account is an important indicator inasmuch as it shows whether our economy has progressed without direct foreign financial aid.

Regarding the balance of payments, the Bank of Mauritius notes that there was a surplus of 643 million rupees compared with 198 million in 1984-1985. The improvement in the current account and the balance of payments resulted in an increase in our foreign exchange reserves: from 465 million rupees in June 1985 to 774 million in June 1986. "This improvement in the level of foreign exchange reserves was achieved despite a substantial amount of external repayments of 1,185,000,000 rupees, inclusive of interest, during the 1985-1986 year," the Central Bank states.

The country's foreign debt is no longer a matter for concern, the Bank of Mauritius believes in the light of the evolution of the situation in 1985-1986. Actually, at the end of the fiscal year in question, the foreign debt (reimbursement due to the IMF included) amounted to 4.68 billion, compared with 5,621,000,000 rupees in June 1985. The cost of service on the debt (including reimbursements to the IMF) in percentage of export receipts was 19.4 in 1985-1986, 7.4 percent less than in 1984-1985. Excluding repayment of the IMF, the debt service ratio was only 16.1 percent, compared with 13.9 percent in 1984-1985.

The report also emphasizes: 1) the drop in the rate of inflation (from 8.3 percent in 1984-1985 to 4.3 percent in 1985-1986); 2) the unemployment rate (from 18 percent in June 1985 to 15 percent in June 1986); 3) the 26-percent increase in savings (from 4,53 billion in June 1985 to 5,699,000,000 in June 1986); 4) the 13-percent increase in domestic credits; and 5) the reduction in the budget deficit (from 824 million in 1984-1985 to 639 million in 1985-1986).

In the light of the evolution of the principal indicators, the Bank of Mauritius concludes that the Mauritian economy "is back on its growth path."

## BRIEFS

BOODHOO FORMS NEW PARTY--At a political rally in Vacoas, Mr Harish Boodhoo will announce the formation of a new political party. It will bring together the dissidents of other parties who are close to him--former members of the PSM [Mauritian Socialist Party], in particular. It is said the party will also include labor elements. Already, some Laborites are openly associating themselves with the Boodhoo group. At Boodhoo's rally in Belle-Vue Maurel, a former labor minister, Mr O. Saccaram, was to be seen at Mr Boodhoo's side. However, the question raised is whether the new party will run in the next general election. There is no doubt that this third force would upset the existing order of things. We will have the answer on Wednesday to whether there will be a three-way contest or a new electoral alliance. [Text] [Port Louis LE MAURICIEN in French 24 Apr 87 p 1] 12413/12851

NEW LABOR PARTY HEAD--Labor Party sources confirmed this morning that Sir Satcam Boolell will formally be asked to relinquish his leadership of the Labor Party to Dr Navin Ramgoolam. In connection with this, the authorized sources also confirmed that two meetings will be held this afternoon--the first of them, between the secretary general of the Labor Party, Mr Anil Baichoo, and Dr Navin Ramgoolam, at 1430. The second will take place at 1500 between Mr Baichoo and Sir Sat am Boolell. The secretary general of the Labor Party will bring the leader , to date on the latest developments, namely, that an "absolute majority" has formed within the party's red central committee in favor of Dr Ramgoolam's accession to the office of party leader. [Text] [Port Louis LE MAURICIEN in French 30 Apr 87 p 1] 12413/12851

TEA PRICE DOWN--The price of tea has again dropped on the London market: in a single week, the price paid for the tea allotment sold by auction in the British capital dropped below the psychological threshold of 13.00 rupees per kilogram to hover around 12.40 rupees throughout last week. The downward trend is affecting in particular the category of tea known as "low medium," which makes up the largest share of exported Mauritian tea. After being quoted at 13.00 rupees (65 pence) per kilogram during the first half of this month, the price dropped again to settle at 12.40 rupees (62 pence). In contrast to low medium tea, the tea classified as best quality was being auctioned at an average price of 341 pence per kilogram. Tea falling into the low medium category was being sold at an average auction price of 75 pence for that produced in Zimbabwe, 69.7 pence for that produced in Malawi, and 111.7 pence for that produced in Kenya. [Text] [Port Louis LE MAURICIEN in French 27 Apr 87 p 12] 11798

MOZAMBIQUE

JOE SLOVO ON PURPOSE OF VISIT, NATURE OF STRUGGLE IN RSA

Maputo NOTICIAS in Portuguese 26 Jun 87 p 5

[Text of interview with Joe Slovo, secretary general of the South African Communist Party, by Teresa Lima, in Maputo, date not given; first paragraph is NOTICIAS introduction]

[Text] "We feel we are not yet at a point where the sun will come out tomorrow, that they (the South African regime) are so weakened that they will collapse and that the people are already so strong that they will capture the enemy castle, but there is no doubt that we are in a completely new phase," declared Joe Slovo, secretary general of the South African Communist Party [SACP], in an interview which he granted recently in Maputo. This leader of the South African liberation movement said, on the other hand: "Clearly, the type of activity which the people have been witnessing on television for 2 years, youths hurling rocks at tanks, this type of activity, will not be the right answer for much longer," because "the people are learning to create new forms of organization--despite the wall of silence imposed by the enemy on all the mass media--that in every direction will soon destroy the racist regime" of South Africa.

Joe Slovo, the old baobab, in battle and in bearing. This man with flaxen hair and smiling blue eyes behind the thick lenses is viewed with terror by the apartheid regime. He was in Maputo at the invitation of the FRELIMO Party and we spoke with him. His 25 years in the Umkhonto we Sizwe--the military arm of the ANC--and many others in the SACP are the reason and the base of his experience and consequent engagement in the struggle for the liberation of South Africa. Joe Slovo is currently secretary general of the South African Communist Party and he believes the sun will soon come out for everyone.

Question: What are the objectives of your visit to Mozambique?

Answer: The primary objective is to discuss and exchange views with representatives of the FRELIMO Party on the situation in southern Africa, in our country and in Mozambique, because, basically, the two peoples and organizations face a common enemy and certainly have the same short-range goals, which are to do everything possible to put an end to the racist domination, the racist aggression, which is the common denominator in our struggle and the struggle of the Mozambican people.

**Question:** Would you comment on the last South African attack against Maputo?

**Answer:** That attack is one more in a series of examples that prove, beyond any doubt, that we have on this continent one of the cruelest terrorist regimes ever witnessed in our modern history. This is another act of retaliation and terror against innocent Mozambicans and it is another step by this regime in the escalation of the conflict and the externalization of its problems to the neighboring countries.

**Question:** In your opinion, what are the implications of this attack for the Nkomati Accord?

**Answer:** I think it is becoming clear to all of us, to the South African people, to the Mozambican people, to the FRELIMO Party, that at this moment the signed agreement continues to be violated by the racist regime, sometimes covertly, sometimes openly. We know what they have done with the armed bands, which could not survive without the continued support and all the means that Pretoria places at their disposal. This is another example that, as South Africa has told the world, they are not interested in accords like the Nkomati Accord and, although they signed it, they will continue to undermine the sovereignty and independence of Mozambique and the neighboring countries, in an attempt to dominate them and to prevent them from taking up their role.

**Question:** In this phase of the struggle inside South Africa, what practical action is being taken by the Communist Party, inside and outside the country?

**Answer:** We are part of an alliance which is headed by the ANC and we believe the principal action of the alliance is to intensify the struggle against the apartheid regime by every possible means. History has shown that we have always engaged in actions, some greater, some lesser, but we have always taken action. One thing is absolutely clear, however, both inside and outside the country. The only language which the regime understands is, in fact, the language of violence. This is what they practice against their people and against the neighboring states and, for this reason, one of the principal actions we face is to respond to this violence, combining our political struggle with armed revolutionary violence.

**Question:** What are the primary targets?

**Answer:** Our targets have always been dictated by a revolutionary principle; that is, our targets are not civilians or innocent people, people of one race or another, but the enemy, its armed forces, its installations and institutions. It is also clear that, unfortunately, in the course of the armed conflict, sometimes innocent people suffer; they are wounded or killed. This happens, not because we plan it this way, but because it is one of the inevitable consequences of a legitimate struggle for liberation, in which we are engaged. Examining our principal activities inside the country throughout the years, no one in the world can point a finger at us and say we disregarded the lives of innocent people.

**Question:** What do you think about the so-called "vigilantes"?

**Answer:** The "vigilantes" are a technique that all fascist regimes use during an escalation of the war for national liberation. When they cannot fulfill the aspirations of the people, or they are not prepared to respond to them, then here, in Latin America and in other parts of the world, they turn the internal conflict into a conflict of blacks against whites. An example of this is the "vigilantes." They use the technique of hiring mercenaries, exploiting the unemployed setting them against their own people, exploiting organizations of the "Inkatha" type, which have a tribal base, to attack their own brothers, to attack the people's political organizations. This is what is happening inside South Africa, where one of the major tasks we face is to combat this creation of the enemy, and we believe we will achieve our goal of preventing the increase of these "vigilantes." But, at the same time, we cannot be complacent. All colonial powers get all the parasites of the society, the "lumpen," to boycott the people's struggle.

**Question:** What are the prospects for the future of South Africa?

**Answer:** There is absolutely no doubt that we are in a period in which we can already glimpse change. We think -- are not yet at the point where the sun will come out tomorrow, that they are so weakened that they will collapse and that the people are so strong that they will take the enemy castle, but there is no doubt whatever that we are in a completely new phase. Since August 1984, when the present phase of the revolution began, a situation has been created which cannot be likened to previous periods. Despite the oppression, despite the arrest of 30,000 militants throughout our history and at all levels of our struggle, despite the settlement of the black zones, despite the offensive against the unions, against the youth movement, against the organization of women, it is clear that they have not succeeded in breaking the morale of the people. We can see this in the recent speech by the finance minister to the parliament, asking for a 40-percent increase in the budget for the police and for the army; to justify the increase, he said that the regime in South Africa is now facing the greatest threat in its history; that is, an attack by the revolutionary forces.

Let us remember that he said this after 3 years of a state of emergency, 3 years of deaths and detentions, and, even so, they believe--and I think they are right--that they face an intensification of the rebellion. Clearly, the kinds of activities that people have witnessed on television for the last 2 years, of youths hurling rocks at tanks, that type of activity, will not be the right answer for much longer. This is a very important phase. The people are learning to create forms of organization--despite the wall of silence imposed by the enemy on all the mass media--which in all directions will soon destroy the racist regime. This is not false optimism; it is based on an understanding of the enemy, of its inability to continue to govern the people in the old way. One of the most significant aspects of this old television image that we are trying to discuss is the growth of the black union movement; 10 years ago, only 10 percent of the workers were organized and today the figure has reached 67 percent. In recent times, we have witnessed the growth of the COSATU (Confederation of Black Unions) from 300,000 to 800,000 members. The most significant successes were the strikes of the mine workers, in which we saw the ability of the union movement to mobilize the workers, and not just for economic

grievances. If we want proof of this, we can go back to the last elections for whites only in South Africa. The reports that dominated the international media were not the elections, but the largest political strike on record in our history. For 2 days, 2.5 million people--1.5 million workers and 1 million students--struck the entire country during the election period. Another important development which cannot be underestimated is that, despite the offensive against the students and against the youth, we recently saw the creation of a new (semi-clandestine) youth organization, the SAYCO, on a national scale. The people are learning new ways; they are finding new answers to the repression in the land. But these actions are not just actions by the armed branch of the liberation movement; the people themselves are demonstrating a kind of revolutionary creativity which, at long range, will become an absolutely uncontrollable force.

Questions Why did you leave the leadership of the Umkhonto We Sizwe?

Answer This is not the best way to put the question. I was elected secretary general of the SAP. It is not customary for the leader of the Communist Party or other organization to be a member of the military arm, under the military command of superior officers. So this is quite normal. In any event, the task we face in South Africa is essentially political, not military. The military struggle is a very important part of the political struggle, but our struggle is a political struggle, which includes revolutionary violence; thus, our principal task, both as the Communist Party and as the Liberation Movement, is the political mobilization of the people and, since I was elected secretary general, I must concentrate on this task. Clearly, I continue to be a member of the Military Council, which is the highest organ at the military level, and I am engaged and will continue to be engaged in giving all aid and support, based on my 25 years of experience in the Umkhonto we Sizwe, in the pursuit of the armed struggle, which I consider one of the indispensable weapons at our disposal. I think it should be remembered that my departure from the ANC was at the request of the Communist Party that I be relieved. This is not the only time, it has happened before. My predecessor as secretary general was Comrade Moses Mabhida. When he was elected secretary general of our party, he was also, at that time, secretary of the ANC Revolutionary Council, and he left it for exactly the same reasons. The request that he leave was made by our party, because he should be relieved of other responsibilities to concentrate on party work. There has never been a period in our history when it was as necessary as it is now to concentrate on the work of the party. If you have been following events in South Africa, you have not only noted the participation of the working class in the liberation struggle, but also that our party has been accepted as an essential partner in the liberation front, as an independent political organization whose goal is not only a democratic revolution or immediate freedom, but also to ensure that South Africa also achieves emancipation, the end of exploitation of men by men. Certainly, the immediate goals are clear and, in pursuit of these goals, we continue to be one of the pillars of the liberation alliance. My departure from the previous position in no way diminishes my role. My contribution, the contribution of my party in the struggle against the "apartheid regime" will continue at both the political and military levels.



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# ***JPRS Report***

## **Africa (Sub-Saharan)**

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## POWERFUL ASIAN BUSINESS LEADERS BEGIN TO FEEL 'JITTERS'

London AFRICA CONFIDENTIAL in English 24 Jun 87 pp 5-7

[Text]

The record low hit by the Kenya shilling on the Nairobi black market continues to reflect the crisis of confidence felt amongst the powerful Asian business community. Asian jitters began with the resignation of a prominent member of their community, Acting Chief Justice **Channi Madan**, last December and really started to make themselves felt by March, with the slide of the shilling. The currency which, during the presidency of **Jomo Kenyatta**, used to be known as the Swiss franc of Africa had reached an unprecedentedly low rate of K.Shs.24 to the U.S. dollar by the second half of June. The official *Central Bank of Kenya* rate was hovering around K.Shs.15-16 to the dollar.

In a predominantly Asian-controlled black market, the rate is a faithful barometer of the Asian mood and reflects not only economic expectations but also political hopes and fears. Today, the national currency stands lower than it did during the panic year of 1972, when former **Ugandan** dictator, **Idi Amin Dada** expelled his Asian businessmen en masse.

The present crisis of confidence is a mirror of the Asians' negative reassessment of whether President **Daniel arap Moi** can control the increasingly vehement opposition by the country's largest group, the Kikuyu, to his own Kalenjin-dominated government. It also reflects divisions in the Asian community itself about how to react to the situation. The divisions have surfaced following Channi Madan's resignation over the independence of the judiciary.

Madan had been appointed by Moi himself following the resignation of the European Chief Justice Sir **James Wicks** after an enquiry into Constitutional Affairs Minister **Charles Njonjo**. But Madan lost the goodwill of the president almost immediately by acquitting Moi's arch-enemy **Stanley Githinguri** in

mid-1986 on currency smuggling charges. If there is one man in Kenya whom Moi has cause to hate and fear, both for personal reasons and as a potential future Kikuyu president, it is Githinguri. This former chairman of the *National Bank of Kenya* was close to both Kenyatta and Moi's arch-rival, Njonjo.

Githinguri's sensational acquittal served as a clear public message that the Asian community would not allow itself to be used as a political pawn in Moi's struggle against the Kikuyu. Indeed, it was also a signal that the Asians wanted to distance themselves from a regime that they perceived as increasingly vulnerable. The relationship between Moi and the Asians has been close and mutually advantageous. Despite stringent currency controls introduced after independence to stop the flight of Asian and European capital, the Moi government has turned a blind eye to blatant infringements by an Asian community with which it enjoys close relations.

As a result, Nairobi's flourishing black market in dollars, sterling and Indian rupees operates before the very eyes of the Kenyan central bank authorities. Scene of all this activity is the appropriately-named Biashara Street, a name that means 'trading' and has been changed from the equally graphic 'Indian Bazaar Street'. So freely has this illegal market been allowed to operate that, in spite of the theoretically stringent exchange control laws, the Kenya shilling has become in fact more easily exchangeable than virtually any other currency on the continent. Daily quotations for sterling and dollars are available by phone from a dozen or so major Asian trading houses. Asians in Kenya are conscious that they constitute not only a highly privileged ethnic minority but also a particularly visible one. Numbering some 60,000, they constitute less than one half of one per cent of the population. Yet they control

over 70% of the lucrative urban retail trade and a disproportionately high share of the Gross National Product. Every Asian family is aware of how intensely their community is hated among an African population of about 18 million with whom its degree of integration has been almost non-existent.

Thus the Asian community suffers an acute fear of the kind of instability which the ever-present risk of a change of regime might bring, and with it, the possibility of a government less favourably disposed towards this privileged minority. Having convinced themselves that they will one day be forced to leave Kenya, Asians keep most of their wealth abroad, in Britain, the United States or India. They operate their lucrative enterprises in Kenya largely on borrowed money. Hence the importance of the black market as an indicator both of the perceived risk of the regime being overthrown and of a change in the government's policy of close business accommodation with the Asians at the political cost of mass unpopularity.

To the average Kenyan, the Asians appear both as economic exploiters and as unpatriotic opportunists whose only interest in Kenya is as a wealth-generating machine. Politicians, too, have accused the Asians of keeping one foot in Kenya and one abroad, notably Vice President Mwai Kibaki, who is becoming increasingly estranged from the Kalenjin-dominated government.

Integration has become an ever-present and potentially explosive issue. The government as a whole has vacillated between closing the issue and allowing it to be re-opened at judiciously-timed intervals. Following Justice Madan's estrangement from Moi, the scales have again been tipped in favour of the re-opening of the integration debate and this, too, has affected the black market rate for the shilling.

Madan's resignation is the first serious quarrel in Moi's Asian honeymoon. The president had consistently been a patron of the Asian business community since Njonjo's fall from grace in 1983. This is one reason why Moi has always been prepared to bend over backwards to appease the community and win its favour.

It seems, therefore, that the president is keen to use his economic relations with the Asians as a political weapon against the Kikuyu, who not only constitute the largest ethnic group but whose oligarchy is the largest African factor in the control of the country's economy. The president is apparently aware that, if opposition to his regime should grow to the point of active resistance, then Kikuyu businessmen could, if they wished, bring the economy to a standstill within the space of a few months. The president has therefore come to view his relationship with the Asian business community as a coun-

terweight to Kikuyu economic power. For the Asians control more of the country's finance than does the whole African population. Thus Moi is eager to use his Asian card as a public and visible warning to his Kikuyu opponents.

However, Moi's confidence in the Asian community may not be echoed by Asian confidence in his staying power. Asian leaders are increasingly concerned about being identified with the Moi regime in the eventuality of his departure from power, especially if the succession passes to the Kikuyu oligarchy. The Asians have been constantly close to Moi's struggle with the Kikuyu. Justice Madan in fact came into the public eye when Moi appointed him as one of the three commissioners on the public enquiry into Charles Njonjo's affairs. The political nature of the enquiry became obvious when Moi accused Njonjo of conspiring to replace him as president. The enquiry thereby ended the immediate threat to Moi from the Kikuyu and their most powerful challenger to his power.

The surprise appointment of an Asian judge to what was an overtly political trial was seen as a reassurance to the Asian community that it would not be made to suffer for its previous support for Njonjo as the patron of the Asian and European minorities. It was also an invitation to switch Asian financial support, in the form of Harambee Fund handouts, not only from Njonjo to Moi but also away from Njonjo's natural Kikuyu heir, Vice-President Kibaki. The Njonjo affair, far from boosting Kibaki's position, dramatically reduced his mass appeal among the Kikuyu, who largely considered that he had sold out to Moi. This did nothing for his chances as Moi's successor.

Moi, who had previously bitterly and publicly attacked Asians as the source of all evil and corruption in Kenya, performed a complete about-turn. In a humiliation of African pride unthinkable in the Kenyatta years, he accused Africans of the same sins. And to secure Asian financial weight as a political weapon against Kikuyu economic power – until it could be eroded sufficiently to stop it being a threat – he began to defend Asian interests with even greater enthusiasm than had Charles Njonjo.

Though the local press, including that controlled by the ruling *Kenya African National Union* (KANU), has estimated that Asians illegally hold over £2,500 million abroad – five times the country's official foreign exchange reserves – since Moi's rapprochement with the Asian community few if any

## KENYA'S MONEY MARKET

The government has enormous power to make or break financial institutions by virtue of the fact that the Kenyan money market is dominated by the state. State-controlled monopolies, co-operatives and local authorities control 80% of funds disposable in the market. The remaining 20% is controlled by foreign and Kenyan Asian companies, leaving other Kenyans with virtually no share. Even rich Kenyans are for all practical purposes net borrowers. The failed Kenyan-owned banks were seriously under-capitalised which further reduced their staying-power in the face of government hostility to them.

In these circumstances, the government can embarrass financial institutions it disfavours by playing the money markets, especially by blocking new deposits to out-of-favour banks and demanding repayment of deposits already placed with such institutions.

As is normal banking practice, any deposits collected are converted into loans repayable over a period ranging between three and five years, or exceptionally ten. So any premature calling-in of debts can leave banks with a cash shortage. Moreover since the state controls the money market, it can prevent firms from borrowing. Failed banks are placed in the hands of the receiver.

The government can ensure that funds from state-controlled institutions are deposited with banks and institutions which it favours. Such sensitive funds from the National Social Security Fund (NSSF) and the National Hospital Insurance Fund (NHIF) are reportedly channelled through the *Kenya Commercial Bank* and the *National Bank of Kenya*, both being Kenya government banks whose chairmen are government appointees.

Asians have been prosecuted for exchange control offences. Yet prosecutions for alleged offences have put paid to the careers of dissident African politicians, such as **Warihu Kanja**, and the law was ruthlessly enforced against Githinguri.

The former acting managing editor of the KANU-controlled *Kenya Times*, **Mitch Odero**, (since dismissed for giving an unauthorised interview to the *British Broadcasting Corporation*), suddenly halted the publication of a series of no fewer than 38 articles on how Asians smuggle wealth out of Kenya. The series stopped abruptly at smuggling method number three. So substantial is the outflow of Kenya-generated wealth that even the *International Monetary Fund* (IMF) has repeatedly drawn the attention of the Treasury to the contradiction between the flight of several hundred million dollars annually

and Kenya's heavy hard currency borrowing on overseas markets.

The press has openly suggested that the source of foreign currency leakage could be traced to officials within the central bank itself, since it has to authorise all import licences. The over-invoicing of the dollar value of imports is a major mechanism for transferring foreign exchange from the Kenyan Treasury to Asian private bank accounts abroad. African, and particularly Kikuyu, politicians have been prosecuted for sums that seem trifling in comparison with the huge sums exchanged on the Asian-controlled black market. Furthermore, the Asians continue to be allowed to run their own bank, the *Biasara Bank of Kenya*, appropriately named after the famous trading street. By ensuring that Asian profits retained in Kenya are available to Asian businessmen, the bank enables Asians to keep a minimal amount of working capital within the country.

Now this financial security seems less certain in the wake of the Madan resignation, an event that has done more to damage Asian confidence than even the August 1986 banking crisis. The bank collapse discredited several Kikuyu opponents of the government without raising either a furore overseas or the hostility of the Kikuyu masses. But the humiliation of Moi caused by Githinguri's acquittal has made the former banker the focus and, indeed, the heir to the leadership, of Kikuyu opposition to the regime. The acquittal was widely understood as a refusal by the Asian community to further antagonise the Kikuyu and to create a visible distance between Asians and the president, who is judged to be dragging the government into an outright confrontation with the Kikuyu. The latter dominated the country politically from independence until Njonjo's downfall in 1983. The fact that Moi has succeeded in placing Kalenjin supporters, many without previous political or administrative experience, into key posts in the cabinet, the security organisations and the civil service as a whole, has not convinced Asians of his ability to withstand a determined Kikuyu onslaught. For the Asians, the vision of a Kikuyu victory raises the spectre of expulsion and financial ruin. Hence the reversal of their previous stance of being publicly seen to be close to the president as a protection from mass anti-Asian sentiment.

But if the Asian community doubts the wisdom of continuing to put all its political eggs into one basket, divisions have appeared about future positions. On the one hand, the 'Madan reformists' want to open up a channel of communication with the Kikuyu, even if this is at the expense of relations with Moi. On the other hand stand those whose fortunes are now so closely linked to the president's

future, that it seems too late for them to change direction.

No longer able to take Asian support for granted, Moi is belatedly responding to what he may correctly see as Asian opportunism, and an apparent willingness to ditch him. The government is again allowing the suppressed integration debate to be reopened. The Moi regime seems at last to be waking up to the realisation that its public image of being in the pockets of Asian businessmen is gravely affecting both its popularity and its credibility. Furthermore, it is beginning to realise that the Asian support for Githinguri has given the Kikuyu a vital card: a leader to unite behind. But this will not reassure the Asian community much more than it will Moi, and Asian uncertainty, as reflected in the de facto devaluation of the shilling, is likely to continue ●

#### **BANKS**

The national banks may re-deposit with private banks, which include the following:

*Trade Bank Ltd.*

*Lima Finance Ltd.*

*Nairobi Building Society*

*First American Bank of Kenya*

*First American Finance of Kenya*

*Commercial Bank of Africa Ltd.*

*Equatorial Finance Ltd.*

*Transnational Finance Ltd.*

*Transnational Bank*

*Credit Bank of Kenya*

*International Finance Ltd.*

According to our scorecard, the following banks were closed between December 1984 and October 1986:

*Rural Urban Credit Finance Ltd.*

*Continental Bank of Kenya Ltd.*

*Continental Credit Finance Ltd.*

*Jimba Credit Finance Ltd.*

*Union Bank of Kenya Ltd.*

*Kenya Savings and Mortgages Ltd.*

*Pioneer Building Society*

*Capital Finance Ltd.*

Two others are not operating:

*Nationwide Credit Finance.*

*Business Finance.*

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CSO: 3400/133

RESTORATION OF SOVIET-LIBERIAN RELATIONS WELCOMED

Monrovia DAILY OBSERVER in English 22 May 87 p 4

[Editorial: "Cementing Soviet-Liberian Ties"]

[Text]

**A NEW CHAPTER in Soviet-Liberia relations was opened this week when the Foreign Minister of Liberia, Dr. J. Bernard Blamo, received the Soviet Envoy and Charge d'affaires of the Soviet Embassy near Monrovia.**

**IN THEIR EXCHANGE of greetings, the representatives of the two governments underlined the importance of beginning a new chapter and "forgetting the past". Indeed, the Soviet Charge d'Affaires was more direct when he declared, "set-backs in our relations are unfortunate, but let by-gones be by-gones. We are starting from zero".**

**THE RELATIONS BETWEEN Liberia and the Soviet Union in the five years before they were broken off two years ago, were, to say the least, topsy-turvy. Soviet diplomats were constantly accused of interference in the internal affairs of this country, or of engaging in activities incompatible with their status. On several occasions the government ordered the expulsion of Soviet diplomats and on two occasions requested the diplomatic staff to be kept at a minimum of not more than six. The climax came two years ago when the government broke off relations and ordered all the Soviet diplomats, including the Ambassador, out of the country. The Soviet Union retaliated by ordering our Embassy in Moscow closed.**

**WE EXPECT THAT during the two year closure both governments have had time to think over their relations and have been able to formulate a type of policy that would further the promotion of friendly relations between the two peoples and governments.**

**THE "NEW CHAPTER" referred to by both the Liberian Foreign Minister and the Soviet Charge d'Affaires should be significant in the light of the "wind of**

**change" now blowing through the Soviet Union due to the policy of reforms initiated by the new Leader and Communist Party General Secretary Mikhail Gorbachev.**

**WE EXPECT MEASURES** of those reforms to be reflected in the attitude and behaviour of Soviet diplomats residing here. We welcome their policy of "openness" and we look forward to seeing a greater measure of freedom exercised by the people of the Soviet Union than was in the past.

**WE, IN LIBERIA,** have our suspicions and our traditional attitudes regarding certain ideologies and peoples from certain parts of the globe. We expect the Soviets to study our cultural differences and appreciate them; study our way of life, study our heritage and appreciate them. The world is made beautiful by these differences; to change them is to upset the balance of nature.

**IN ANNOUNCING THE resumption of diplomatic ties with the Soviet Union,** President Samuel Doe said this would truly fulfill Liberia's role as a non-aligned nation. Being non-aligned, we should, with caution, accord our Soviet friends that degree of "openness" which our friendship deserves for the promotion of better relations. We should make them feel at home even though we may not seek to be ideological bedfellows. However, with both Super-powers represented in our capital we could gain much from their presence and their friendship. The hand of friendship should also be characterized more by a degree of tolerance, constraint and acceptance than by suspicion and fear.

**WE EXPECT THAT** this new chapter, made manifest by the re-opening of the Soviet Mission in Monrovia, will see the relations between Liberia and the Soviets develop in an atmosphere bereft of suspicion and behind-the-scenes activities. The word in the Soviet Union today is "Glosnots" and so we welcome this new chapter with "openness".

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CSO: 3400/395

PAPER QUESTIONS THREAT TO SOVEREIGNTY BY AMERICAN EXPERTS

Monrovia NEW LIBERIAN in English 1 Jun 87 pp 1, 4

[Commentary by Bill Frank: "Is Liberian's Sovereignty Really At Stake?"]

[Text]

Some of us who make a living, by writing for a competitive international market, and must therefore be substantively objective and balanced in order to sell, are finding it difficult to grasp the logic by which Liberia's sovereignty may be considered to be at stake because she has asked for help from America to straighten out the economy.

One question that comes to mind immediately is: What, if the American experts were to be coming under the label of, say, IMF?

There is scarcely any evidence anywhere to suggest that the heavy involvement of American experts in the development process of Liberia is new. To the contrary, the trend is practically traditional.

Even after Liberia's critical economic problems of the early and mid 1900's had subsided, and the Open Door Policy of President Tubman had begun to bring in relative economic boom, the assistance of American experts continued to be sought, without any question of the surrender of sovereignty.

EXAMPLES:

The Liberian-American Joint Commission for Economic Development, headed by Counsellor Emmett Harmon, existed for many years until, I believe, 1980.

At least the signboard was hanging there until this time.

Then there was the Special Commission on Government Operations which was almost entirely an American operation.

The team which did the  
ced the controversial book  
Development," lampooning the  
tration, was entirely an  
economists from Northwestern  
by Dr. Robert Clover. Li  
for reforms often used the  
their positions. Incidentally,  
it is some of those  
who seem to now suddenly  
skeleton in the cupboard a  
erts involvement in Liberia.

When President Doe was  
People's Redemption Council  
United States of America,  
rectly from President Reagan  
of U.S. Agricultural experts  
study and advise his govern  
means of improving the agri

A mission was despatched  
brief study and submitted  
how that report has been p  
other matter. But here there  
of sovereignty involved, the  
question of Liberia not hav  
experts either.

Past documents and pub  
decades back are replete  
the strong presence of Amer  
several aspects of the nat  
efforts. Whether or not such  
often produced the desired re  
another matter; but there  
any question about the surre  
ignty.

If, in the critical circum  
Liberia finds herself today  
of American advisers and ma  
ed, as had been done in the  
of surrendering sovereignty  
fetched. No?

Nevertheless, there mig  
validity to the issue of sov  
because economic decisions  
political dimensions which shou  
ed-and vice versa.

However, because the ver  
nation depends very much on  
gree of economic sanity, the  
nity must be established b  
and-take of political fortu

*even make sense to the mass of the people who are expected to tip the political scales one way or another.*

*Liberia has slipped - somewhat consciously - into rather very difficult times. That's a settled issue. Where we came from, and how we got where we are, makes useful background - but only for future action. Any time, energies and resourcefulness that we have left would be better invested in pulling ourselves out of the critical times than on sulking over spilled milk. The piece of Chinese folk wisdom that "when a creek has become a river, it is better to make the best use of the river than to bewail the loss of the creek," makes a lot of sense.*

*It is in times like these that we should become more keenly aware that in difficulties lie some marvelous blessings in disguise. In crisis always lies opportunity; and in great crises lie great opportunities. The present crisis in which the country finds itself may well be its greatest opportunity for a long-desired transformation. We have to try to look less at the clouds and more at the silver linings.*

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CSO: 3400/395

FINANCE MINISTRY ANNOUNCES 8-POINT ECONOMIC RECOVERY PROGRAM

Monrovia DAILY OBSERVER in English 18 May 87 pp 1, 9

[Text]

The Finance Ministry has unfurled an 8-point programme of action designed to restore "fiscal discipline" and achieve economic recovery, according to Finance Minister John Bestman who made the disclosure last weekend at a luncheon he held for the press.

The action programme is also buttressed by three committees within the Finance Ministry to assist in the drive "towards fiscal discipline." The committees are: Committee on Revenue and Related Matters, Committee on Expenditure Control, and the Committee on Concession and Private Sector. Each committee is headed by a deputy minister of the ministry with existing experts in the ministry as members.

The move by the ministry, according to observers, is seen as a step towards setting the nation's economic house in order which could likely obviate the coming of the 17 experts, whose arrival is pending legislative approval.

When it was suggested to Minister Bestman at the press conference that his 8-point action programme could nullify the need for the experts, he replied, "We told them all along that we have qualified people to do the job." However, he pointed out that the experts are expected in two months' time.

Salient features of the plan are:

All Government expenditures must be within the limit of the approved budget.

No extra budgetary expenditures will be allowed.

Payment of salaries must have highest priority in disbursement of GOL funds.

No contract will be undertaken or signed unless the appropriate fundings have been first secured in the budget. Definitely, there will be no pre-financing of GOL contracts.

Government procurement must be in direct consonance with the centralized purchasing system under the General Services Agency (GSA) and on competitive basis. Procurement of military hardware will be the only exception to this requirement. No vendor, supplier or contractor will be permitted to overcharge the Government.

All taxpayers must meet their tax obligations to Government and on time. Officials of Government are no exception.

Our war must eliminate waste in Government and use of the scarce resources must be prioritized with a view to delivering the basic services expected of Government.

Anyone caught conniving with the intent to fraud Government will be considered enemy of the Liberian people and will be treated accordingly.

The Minister reassured the public that there is no intention on the part of the Executive Government to impose additional tax burden on the people. "Instead, we will work towards lessening the tax burden on our people," he declared. Meanwhile, the Revenue and Related Matters committee will review existing revenue and finance laws and regulations to see whether they are still conducive to present day realities and to recommend

**measures that would improve the revenue situation.**

The Committee on Private Sector will deal with granting of incentives to concessions and business houses in Liberia. It will analyze and determine the cost and benefit to the Liberian people of fiscal incentives granted investors and ascertain as to whether investors are operating in accordance with the terms of their concession agreements or investment incentives contracts.

Committee on Expenditure Control which is under the chairmanship of Minister Thomas Hanson is in charge of the responsibility of devising measures to control expenditures so that the government can operate conveniently within its approved budget.

The Minister made it clear that the government is aware of cer-

tain fraudulent practices in vogue among business houses and some government employees, and he warned that if they are caught in their practices during the verification period, they would be charged and prosecuted.

The Minister again re-echoed the warning of the President concerning the monetary system and the need to keep money in the banks. "This is a serious note of caution", he declared. "Government does not want to be blamed if and when businesses and individuals wake up one morning and find their money worthless, just because it was not deposited with the banking system."

Asked about the Brook Amendment, the Minister assured the press that government is doing everything to meet its obligation under the Brook Amendment. Payment will be made this month in order to keep within the limit, he said.

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CSO: 3400/395

MINISTER WARNS EXPORTERS ABOUT 25-PERCENT LEVY

Monrovia NEW LIBERIAN in English 18 May 87 pp 1, 5

[Article by Joseph Teh]

[Text]

Finance Minister John G. Bestman bluntly warned Friday during a press luncheon that government would take stringent measures against any exporter who fails to surrender 25 percent of their off-shore earnings to the National Bank of Liberia, in keeping with an earlier government proclamation. Without saying what measure would be taken, Minister Bestman said government's anticipated projection of \$17m could not be realized because of some exporters' failure to comply with the 25 percent surrender Act.

Presently, the scheme has yielded only \$11m with \$6m still outstanding, according to Finance Minister Bestman.

The 25 percent surrender Act is a government policy requiring all export oriented entities to surrender 25 percent of their off-shore earnings to the National Bank of Liberia to ease the liquidity crisis that rocked the nation for almost four years now.

Mr. Bestman also unveiled several other policy measures now being pursued by the Finance Ministry as part of government efforts to bring about speedy economic recovery.

Among the measures is the setting up of working committees on revenues and related matters, expenditures control and concessions and private sector to ensure fiscal

discipline and proper economic management.

Augmenting the work of these committees is an eight-point action program which calls for the elimination of waste in government spending; centralized procurement system, making salaries current and the regular payment of taxes owed government by tax payers.

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CSO: 3400/395

JUSTICE DEPARTMENT CRITICIZED FOR CURRENT STATE OF ECONOMY

Monrovia DAILY STAR in English 28 May 87 pp 1, 7

[Article by Taana Y. Wolokollie]

[Text]

The Movement for Justice in Africa (MOJA) and former Liberia's Foreign Minister under the People's Redemption Council (PRC) government, Mr. G. Baccus Matthews have come under strong attack for the present downward trend of the nation's economy.

Making the attack yesterday in an exclusive interview with the DAILY STAR, a senior advisor of the United People's Party (UPP) Margibi County branch, Mr. Joseph R. Bargilo said following the April 12, 1980 coup, top executive of MOJA, together with Mr. Matthew (then chairman of the defunct Progressive People's Party) were invited by the then Chairman of the PRC, now President, Samuel Kanyon Doe to discuss and recommend how best the economy of this country could be handled in the interest of the people.

He explained that Dr. Togba Nah Tipoteh along with others who were noted at the time for their vast experiences in the economic arena, were given the opportunity to make all necessary recommendations, but that, "they all turned out to be a complete failure."

The senior UPP executive's attack comes in the wake of a recent MOJA release mailed and published in the May 26, 1987 edition of the DAILY MIRROR newspaper, criticizing the government of Liberia for requesting Americans to come and help with

her economic recovery program.

The release said to have emanated from the Hague, the Netherlands where Dr. Tipoteh is reportedly residing also said, "it was shocking to learn that the sovereignty of Liberia had been surrendered to the United States by calling in 17 national economic managers" imposed by the United States government on the Republic of Liberia."

Mr. Bargilo further said that the release which described government's move as the "managerial odyssey in the strongest possible terms," called on the people of the United States to demand their government for the immediate withdrawal of the colonial agents from "our country,"

and such could not have been approved by men like Dr. Tipoteh or Dr. H. Boima Fahnbulleh, Jr. and his cohorts.

Instead, he said, "they should be thinking about how best they should save the Liberian people from the economic slum they have placed us in today."

He then cited the increment in salary of civil servants as one of the many false impressions given the then Master Sergeant Doe by Dr. Tipoteh some seven years ago, as means of saving the economy.

The UPP advisor further called on the Liberia and American peoples to publicly reject the MOJA release and stage a peaceful demonstration against it.

MOJA, which was strongly rooted in Liberia prior to the April 12, 1980 coup, was banned along with other

organizations in the country for political reasons. Some prominent figures of MOJA in Liberia at the time were the former Planning and Economic Affairs Minister, Dr. Tipoteh, Dr. Fahnbulleh, Jr., former Education and Foreign Affairs Minister and Dr. Amos Sawyer, a former professor at the University of Liberia and Chairman of the banned Liberia People's Party (LPP), among others.

It can be recalled that in his quest to revitalize the Liberian economy, President Doe requested U.S. Secretary of State George Shultz during his visit to Liberia to assist the country in its economic recovery program.

It was based on this request that the U.S. agreed to have 17 economic experts come to Liberia to assist in its recovery program.

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CSO: 3400/395

POLITICAL PARTIES EXCLUDED FROM CHIEFTAINCY ELECTIONS

Monrovia NEW LIBERIAN in English 18 May 87 pp 8, 3

[Article by Gus D. Jaeploe]

**[Text]** A fine of \$10,000 awaits any political party that will meddle with this year's chieftaincy elections which were formally declared open May 15, and are scheduled to end June 13, 1987.

Sounding the stern warning last Friday at a press conference, the Chairman of the Elections Commission (ECOM), Isaac Randolph said, although Article 77 of the constitution calls for the free competition of political ideas as an essence of democracy, however, because of the "peculiarity" of our indigenous society, this year's elections will be held strictly without the participation of political parties.

Mr. Randolph explained that the chiefs are all under

the Executive Branch and the involvement of party machinery in the campaigning and winning of votes for their candidates during the elections would fragment the Executive functions of government.

He said if a chief is elected on an opposition party's ticket, the President will not be able to remove him from office upon proven misconduct, thus such a chief could be the source of serious trouble and confusion in the country.

He pointed out that announcements for the result of the elections is June 29, 1987.

The ECOM Chairman also disclosed that out of the 1,488 applicants for 1,078 paramount, clan and

general town chieftaincy positions from all over the country, 1,432 aspiring candidates were qualified, while 56 applications were rejected for various reasons.

He said since those who will be electing their leaders are tribal people, some special educational materials for the smooth identification of ballots, symbols and other information on how to vote right have been printed.

He said the entire exercise is estimated to cost \$500,000 of which the Commission has received only \$300,000 at present.

He said the counting of the ballots will take two days in the various county capitals with a seven days allowance for protests.

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CSO: 3400/395

BISHOP COMMENTS ON FAILURE OF PARTIES RECONCILIATION TALKS

Monrovia DAILY STAR in English 20 May 87 pp 1, 7

[Text]

The complete collapse of the reconciliation talks involving four full-fledged political parties was engineered by the very parties and not the Liberia Council of Churches (LCC) as has been termed by many in the political arena, Lutheran Bishop Roland Diggs has said.

Bishop Diggs, in an interview with this paper yesterday said, the LCC has played its part well since the talks kicked off in 1985 but claimed that the parties were responsible for its complete breakdown. Parties involved are the ruling National Democratic Party of Liberia, Unity Party, Liberia Action Party and the Liberia Unification Party.

He said each time they met at

a round-table-conference, the parties failed to agree with each other on certain issues.

According to Bishop Diggs, LCC advanced several proposals when the parties failed to agree, but added that even "our proposals were overlooked by the parties".

He said at no time the LCC had influenced certain political parties to boycott the talks, noting that "it is the parties that fall apart each time we meet."

He said, "The reconciliation talks was a matter of discussions and finding out what was wrong. But the various parties failed to realize where they went wrong; so the talks could not give birth to the desired results".

Asked to comment on a clergyman's statement that the "Liberian Society was sick", Bishop Diggs said "whenever a clergyman makes such a statement, it doesn't mean that he himself is exempted from what he is saying".

He said clergymen were part of the society, so when negative things were happening it was the duty of the church to speak out on these issues.

According to Bishop Diggs, the church has all rights to correct government on issues of national concern, therefore, he added, the church should not be viewed as an enemy of the state when it speaks.

Recently, President Samuel K. Doe, while addressing

a news conference at the Executive Mansion said, "We have decided not to include the clergy in the reconciliation talks because it would seem that one day they would preach reconciliation and the next day strife and fear. Their efforts in the past have not reaped the desired results".

Dr. Doe informed the nation that there was a new approach to the reconciliation process, noting that, "In our new endeavour to find solution to our political differences, we will solicit recommendations and proposals from the public that will lead to the attainment of general and complete reconciliation amongst the citizenry.

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LUP'S APPEAL TO DOE FOR AID DISCUSSED

Monrovia NEW LIBERIAN in English 22 May 87 pp 1, 6

[Commentary: "LUP Must Now Admit..."]

[Text]

The appeal Tuesday by the Liberia Unification Party (LUP) to President Doe to rescue that party from its present legal catastrophe came as a complete surprise to all who have been watching the Liberian political scene.

It was a surprise because the appeal is a tacit acknowledgement of a stark reality which LUP and other opposition parties have stubbornly refused to accept.

Since the 1985 general elections which saw Dr. Doe's National Democratic Party of Liberia (NDPL) scoring a resounding victory, LUP and other opposition parties have totally refused to accept the election results.

Not only have they rejected the election results, the opposition parties have gone so far as to stop their members from accepting the seats they won in the National Legislature as a result of the general elections.

The refusal of these parties to accept the election results is a clear indication that they do not recognize the legitimacy of the government that resulted from those elections. This in essence means that they do not recognize Dr. Doe as the legitimate leader of this country. How then is it possible for a group that has refused to accept the very basis of Dr. Doe's constituted authority, now turn around to ask him to use that very same authority to rescue it from the boisterous swift torrents of its own political designs?

Mr. Kpoloh and his Liberia Unification Party (LUP) are obviously putting the cart before the horse by asking the President to exercise an authority they do not admit he has. We all know that LUP has got itself into a fix and needs help desperately. But they should not expect to get help when they have blocked the way for the help to reach them. What LUP needs to do first is to publicly acknowledge that Dr. Doe is the legitimate leader of this country, clothed with the authority to pardon wrong doers.

The time has come to put right where right belongs. The flexibility of the Doe government, the good disposition of the President himself, and his demonstrated willingness to extend clemency must not be taken for granted. Dr. Doe's goodwill must not make him a tool of convenience for those who would manipulate events to suit their own selfish ends.

Every child in the street knows what the end of this exercise may be. The Chief (Dr. Doe) may show mercy as usual.

However, before any clemency from the Chief is extended to the Liberia Unification Party, LUP owes it to its own credibility and to the efforts of the hundreds of thousands who voted to elect Dr. Doe, to admit that he is the constitutional Head of the Government of Liberia--the President of Liberia.

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DISSOLUTION OF LUP WOULD BE BLOW TO MULTIPARTY SYSTEM

Monrovia DAILY OBSERVER in English 27 May 87 p 4

[Editorial: "Let Multiparty Survive"]

[Text]

**SCARCELY TWO YEARS** into the Second Republic which has been hailed by its democratic feature of multiparty system, the registration certificate of one of the five existing political parties has been revoked.

THE LIBERIA UNIFICATION Party's certificate was revoked last week by the Elections Commission after a long drawn out battle between LUP and ECOM over that party's failure to adequately respond to ECOM's call to submit its bank account for examination. The Party had claimed that it had no bank account. A fine of \$5,000 was imposed on the party; the party appealed to the Supreme Court to have the fine prohibited, but the Supreme Court upheld the decision of ECOM.

ECOM ordered LUP to comply within 72 hours or have its certification revoked. After the deadline expired, ECOM announced that it was withdrawing the party's registration certificate and barred anyone from doing business with the party. Thus the death knell was sounded over one of the political parties which helped usher in the Second Republic under a multi-party system.

THE REVOCATION OF LUP's certificate of registration is to be regretted as its leader, Gabriel Kpoloh, the record shows, was the first person in the country to resign from government in order to run for the Presidency. He did so when the then Head of State asked all those serving in government who wished to engage in political activities to resign their positions and declare their intentions. Despite his early declaration, the Liberia Unification Party had difficulties in meeting the registration requirements and only qualified at the last moment.

MR. KPOLEH, HOWEVER, became popular in the eyes of many — popular for his outspokenness, and his charisma. He became the leader of the short-lived Grand Coalition; he went to jail on several occasions but remained steadfast in his quest among his colleagues for the realization of a multi-party system in the Second Republic.

**THE LIBERIA UNIFICATION Party, on the one hand, was at times considered among the most radical of all the parties. Their declarations were always direct, biting and in many instances, hard-hitting.**

**BUT, ON THE other hand, many believe that it was the uncompromising attitude of the LUP which led to its downfall. We hope, that the revocation of LUP's certificate will not lead to a domino game which could see the parties falling one by one, leaving, as the saying goes, "only the strong that survives."**

**WHILE IT IS true the remaining political parties do not see eye to eye on many issues, we think there is one definite point they should be unanimous about, and that is, a concerted move to ensure the survival of the multi-party system.**

**WE ARE SURPRISED that since the revocation of LUP's certificate there has not been one statement issued by any of the parties lamenting this situation. A threat to one party is a threat to all the parties; therefore while the elimination of LUP may win more membership into the fold of other parties, we should demonstrate concern when the multi-party system is beset by threats, revocation and fines.**

**WHATEVER THE MISTAKES the Liberia Unification Party may have made, the other parties should guard against them in order to ensure their own survival.**

**NO POLITICAL PARTY today is represented in the Legislature except the ruling National Democratic Party of Liberia; nevertheless, opposition parties must be seen to exist by making themselves heard on issues, by showing some positive signs of concern for the problems currently besetting the nation.**

**IT IS EASY to dismiss this issue as a legal matter which only the courts must decide. However, it is an obligation on the part of all of us to make our newly-founded democracy seem to be working. This is where the law, our social values and politics must converge.**

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## OPPOSITION LEGISLATORS DENY FORMING PARTY

Monrovia DAILY OBSERVER in English 2 Jun 87 pp 1, 6

[Article by Gabriel Williams]

[Text]

**The Opposition Independent Legislators (OIL), an alliance of opposition parliamentarians in the National Legislature, say it is not a political party and does not pretend to be so.**

A press statement signed by OIL Chairman, Grand Kru County Senator Tuan Wreh, said the group is a legislative caucus formed to maintain "our separate political identity in the national Legislature so as to discuss matters affecting our vital interests as well as the interests and aspirations of the Liberian people".

The statement, which was issued at a press conference yesterday at the Capitol Building in Monrovia, was prompted by a newspaper report quoting Maryland County Senator J. Barney Taylor as saying that there should be no opposition alliance in the National Legislature.

May 26 edition of the Daily Star Newspaper quoted Senator Taylor as saying that the so-called "opposition alliance" recently formed by opposition legislators was a complete violation of the Liberian Constitution.

Mr. Taylor, who later denied ever being interviewed on the subject matter by the Daily Star reporter, was further quoted as saying that the legislators, who grouped themselves into a body called the Opposition Alliance, must not also forget that they were elected to the National Legislature on the tickets of the various political parties during

the 1985 general elections and not as independent candidates as they may claim to be.

The independent legislators charged that Senator Taylor has committed a "grave blunder" by asserting that the legislative caucus was formed contrary to the provisions of the constitution of Liberia.

The statement, read by Senator Wreh in the presence of some of the 11 members of the OIL, said Senator Taylor knew or ought to have known as a lawmaker that there is no such provision in the Constitution proscribing the establishment of such organization.

The independent legislators defended the legitimacy of their organization in keeping with Article 17 of the Constitution which states that: "All persons, at all times, in an orderly and peaceable manner, shall have the right to assemble and consult upon the common good...and to associate fully with others or refuse to associate in political parties, trade unions and other organizations".

"Even if we were originally elected to public office on the tickets of LAP, UP and LUP and later resigned from the membership of said opposition political parties due to disagreement with party policies, we are still protected by the same Article 17 provision of the organic law which guarantees to all the freedom of choice and association which cannot be questioned anywhere".

The independent legislators said by accepting the mandate of

their constituents to represent them in the Legislature, they have truly effected their reconciliation with the ruling National Democratic Party of Liberia (NDPL) and the Samuel K. Doe regime.

On this note, they quoted the eminent political philosopher, Plato, who said in his Republic: "He who refuses to rule is liable to be ruled by one who is worse than himself".

They said their political alliance is a loyal opposition to the NDPL majority in the National Legislature, not an enemy of the state or of the government of President Doe.

They also observed that the NDPL itself organized its legislative caucus of which Mr. Taylor is a member.

The Opposition Independent Legislators are comprised of former members of the opposition Liberia Action Party (LAP), Unity Party (UP) and the Liberia Unification Party (LUP). They were expelled from the parties concerned for refusing to adhere to the parties' decisions to boycott the 1985 general elections results for alleged election fraud. The individuals were candidates for their respective parties during the elections.

The OIL was formed to enable opposition members of the legislature to take a common approach on issues of importance.

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IMPACT OF GOVERNMENT GASOLINE USE CUTBACK DISCUSSED

Monrovia NEW LIBERIAN in English 3 Jun 87 pp 1, 6

[Article by J.N. Elliott]

[Text]

Operations at several government agencies have drastically slowed down in the wake of a fifty percent reduction in their gasoline supplies.

General Services Agencies (GSA) Director General Clarence Momolu who commented on the situation yesterday, warned that government operations could be seriously hampered if an immediate solution is not found.

Mr. Momolu who "passed the buck" for the situation to the Budget Bureau and the Finance Ministry, said there is an urgent need for remedial action on the part of the two agencies which control government expenditure, including the purchase of gasoline.

Speaking in an exclusive interview with the NEW LIBERIAN at his GSA Office in Sinkor, Mr. Momolu said government had previously been using 12,000 gallons of gasoline to service its fleet of 1,200 vehicles

daily, but disclosed that without any notice, the Economic Financial Management Committee at the Finance Ministry in conjunction with the Budget Bureau decided to cut the supply by half.

A letter dated May 28, 1987, signed by Finance Minister John G. Bestman, which Mr. Momolu exhibited had directed that LPRC should stop offsetting revenue due government through the supply of petroleum products but should instead pay by cash.

The letter said the EFMC had decided that this guideline be implemented effective June 1, 1987, and that all government agencies pay for their supplies on a cash basis through a designated vendor.

But, Mr. Momolu explained that the fiscal measures on gasoline consumption is not feasible because, according to him, the Finance Ministry is allotting 100 percent to the various ministries and

agencies when infact the supply is only 50 percent.

He said this was the reason for which LPRC refused to abide by the new regulations.

In a letter dated June 1, 1987, LPRC's Managing Director Philip Davis, said; "we strongly believe that in the absence of a declared policy guideline to all agencies concerned, it will be difficult for LPRC to abruptly implement the scheme."

The letter addressed to Finance Minister Bestman said; "if LPRC were to implement the letter, this would virtually paralyse the operations of the va-

rious ministries and agencies."

The letter continued: "even with the new system limiting government's supply to about \$19,000 a day is still causing LPRC considerable problems in that certain agencies are in the habit of making direct request to the refinery without prior clearance from the Finance Ministry as previously agreed."

Asked what sort of recommendations GSA intends making, Mr. Momolu explained that he is preparing a position statement to the Finance Minister on the issue therefore, he could not comment at the moment.

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MASS DEFORESTATION BLAMED ON 'SHIFTING CULTIVATION'

Monrovia DAILY STAR in English 4 Jun 87 pp 1, 7

[Text]

The "shifting cultivation" an indigenous method of farming in Liberia has been one of the major factors responsible for the current mass deforestation of the Liberian forest.

It is reported that during every farming season, thousands of farmers in various parts of the country indiscriminately select areas in the national forest for the purpose of growing rice, but that this effort has caused the degradation of the nation's forest reserves.

This was confirmed this week when the Deputy Managing Director for Operations at the Forestry Development Authority (FDA), Mr. Emmanuel M. Emeh led a group of Liberian journalists to tour about six

major logging concessions in various parts of the country, including Bomi, Grand Cape Mount and Lofa counties to acquaint themselves with operations there.

The tour was prompted by the constant public criticism that logging companies in Liberia were the major contributors to the current deforestation.

Concessions toured included, the Liberia Wood Management Corporation (LWMC), Selective Logging Company (SLC), United Logging Company (ULC), Bomi Reforestation Plantation, Bomi Wood Saw Mill and Cape Mount Industrial Plantation.

Director Emeh told journalists during the tour that although logging, mining as well as national

infrastructural development activities were contributing factors to the destruction of forests in Liberia, this issue has been intensified over the years by growing traditional method of farming in the country.

"Our local farmers know no other way to produce food for self-sufficiency instead of the traditional method," Mr. Emeh explained of forest land in the country and that out of the amount, 12 million acres is known to be high forest, while four million acres of the total amount has been identified as national forest and an additional 8 million productive forest and is presently not in use. He said that this is where farmers could be allowed

to carry out cultivation with the concern of FDA. He then reported that on many occasions, the FDA has advised local farmers on how to carry out "shifting cultivation" in their areas, but that many of them have not yielded to this advise, adding, This does not mean that we are against the "GREEN REVOLUTION

program launched by government."

The Managing Director of the Printz Development Company, which is an affiliate of the LPMC, Mr. Amram Benzi, said that within the period of 25 years logging done in Liberia by this company cannot have any side effect on the ecology of the country.

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LIBERIA

BRIEFS

ISRAELI ASSISTANCE TO POLICE--Police Director Wilfred E. Clark left Liberia yesterday for a week-long visit to the state of Israel. The visit is in response to an invitation extended the Liberian Government by the Israeli Government through its commissioner of police. Director Clark will discuss on how best the state of Israel can assist the Liberia National Police in improving its services. Director Clark was trained in Israel. [Text] [Monrovia DAILY STAR in English 23 May 87 p 1] /13046

EXTRADITION REQUEST TO GHANA--The Liberian government has advanced an extradition process to the Ghanaian Government against Mr. Charles Taylor, who was reported to have been arrested in that country with arms and ammunition. Justice Minister Jenkins Z.B. Scott disclosed this yesterday during a news conference at his office on Ashmun Street, Monrovia. He said that the Government of Liberia has made the request relying on the extradition treaty, an understanding which had existed between the two countries since the 1800s. The Liberian Government wants Mr. Taylor, former General Services Agency Director-General, who two years ago allegedly defrauded the government of about \$2 million. The state first sought to extradite Mr. Taylor two years ago while he was in the United States, but he allegedly escaped prison before the conclusion of the case. [Excerpt] [Monrovia DAILY OBSERVER in English 19 May 87 pp 1, 6] /13046

CSO: 3400/395

PRESIDENT DISCUSSES TRIP ABROAD, DOMESTIC ECONOMIC ISSUES

Antananarivo MADAGASCAR MATIN in French 27 Apr 87 p 6

[Article by J. Rakotonirina]

[Text] The primary goal of the president's trip abroad was to attend the 75th anniversary of the birth of Korean President Kim Il-song. Therefore, it was normal that in Ivato on Saturday for press questions and the chief of state's answers to begin with that subject.

For President Didier Ratsiraka, then, in sectors where the Koreans are successful, the Malagasy can also be successful. And if the Koreans are to be taken as an example, a look should be taken principally at that "will," that "determination" to exploit the potentials, particularly mine products.

"With respect to gold, for example, Korean ores are rather low-grade (only 0.3 to 0.4 g/m<sup>3</sup> compared to 2 to 3 g/m<sup>3</sup> in Madagascar); however, they are exploiting what they have available while our ores are still sleeping underground.

"We must, therefore, exploit our gold because if we had managed to export only 2 tons per year, we would now have \$13.5 million (more than 10 billion Malagasy francs)."

The chief of state also emphasized the positive aspects of these trips abroad, which permit him to inquire about the experiences of others and to compare them with our own.

"It is difficult to compare the DPRK [Democratic People's Republic of Korea], a former colony, with Japan, a former colonizer of Korea," [he said,] "because two quite different systems are involved. The Japanese GNP is higher given the fact that this country is among the great world powers at present. But with respect to population, the North Korean standard of living is perhaps higher. In fact, the people do not pay taxes; they are provided with housing, etc."

According to President Ratsiraka, the two systems can be used as a model, while taking into account the fact that Asian countries in general "work like Trojans," whether we are talking about the Japanese, Koreans, Vietnamese.... "If the Malagasy do as they are doing, the country could go a long way..."

## Visit

On another subject, the chief of state announced that President Kim Il-song has already been invited to pay an official visit to Madagascar; however, he will not make the trip until the Ambohitraina State Palace is finished. The construction of this palace could be completed in June 1988 and perhaps at the end of this year, if the necessary materials are available.

Concerning cooperation between the two countries, the exploitation of Malagasy gold was envisaged during this stay.

President Ratsiraka also recalled the Malagasy position with regard to the "Olympic Games in Seoul." This position is the same as the one adopted by the OAU and the nonaligned countries. If the games do not take place simultaneously in the two Koreas, Madagascar will terminate its participation. But since this principle is already established, it remains to determine which games will be organized in the respective countries; therefore, one could say that Malagasy participation does not pose a problem.

On another matter, President Ratsiraka made reference in Paris to the difficulties of the DPRK, a country reputed to be a "heaven on earth." In fact, these difficulties have to do with the country's division in two (North and South Korea) and, consequently, the almost permanent threats engendered by such a division.

"In any event, this is a working people. The proof: Under the Japanese occupation, North Korea was industrial and South Korea was agricultural; however, during the war, North Korea was devastated. The people have recovered and at present have achieved food self-sufficiency. We can make this desire for all-out production our own."

## France

The first question on French-Malagasy cooperation obviously concerned aid to developing countries, to Madagascar in particular. The chief of state noted that this aid did not pose problems of "cohabitation" since both the Left and the Right recognize its need, and even its priority, for the countries of Africa.

"The Paris newspapers write a great deal about Madagascar," President Ratsiraka said. "Some of them have written that the French leaders found Ratsiraka shrewd and skillful. However, they do not have great confidence in his future. That is why Paris is no longer going to help him..."

However, as if to demonstrate the opposite, the French leaders, President Mitterrand and Prime Minister Jacques Chirac in particular, received the Malagasy chief of state, even though he was on a private visit. Similarly, the President of the Democratic Republic of Madagascar, while still in Paris, was able to receive Messrs Aurillac and Foccart.

And the matter did not end there because the signing of the agreement to discount the interest rate took place at the Malagasy Embassy and not in an office of the French Government. For knowledgeable observers, this has important political and diplomatic meaning.

Therefore, all these events contribute toward contradicting the statements made by these newspapers.

#### Sectional

The increase in the sectional adjustment loan granted by France, which up to this time totaled 160 to 165 million French francs, has now been increased to 190 million French francs and will be increased again in 1988. Therefore, if there is a discount of interest rates of 48 million French francs, that means the interest we must pay will decrease by 48 million French francs.

With regard to the second meeting with Jacques Foccart, adviser to Matignon, this is what President Ratsiraka said, "By means of this meeting, the French Government perhaps wished to refute the statements of certain newsmen who maintain that France was behind the recent disturbances which took place in a few cities on the Big Island. Therefore, this meeting could be interpreted as an indirect affirmation of France's position in these matters."

The meeting with Aurillac provided the framework for discussions on cooperation in general and the signing of the agreement on the interest rates discount.

President Ratsiraka was also in great demand by the French media during this trip. And, according to the explanations given by him on this subject, this was quite proper because "here in Madagascar there was the incident of the looting of some Indo-Pakistani property, and there was that disinformation campaign." "However shaken I have been by the attacks of my adversaries," the chief of state said, "I think that this time they have crossed the line, the limits of the tolerable. When they say that we have generalized infanticide, then that is crossing the line. I took advantage of my trip to Paris to set the record straight; that certainly does not surprise you..."

#### Rumors

On another subject, unlike the Maghrebian immigrants working in France, Malagasy immigrants are sending home not hard currency, but rumors, according to President Ratsiraka. They have gone so far as to establish governments in exile and to consider themselves exiles, whereas, according to the chief of state, they have been given authorization to leave the country without being prohibited from returning if they wish.

In much the same vein, President Ratsiraka confirmed the fact that a leader and member of the political party FNDR had held a press conference in Paris denigrating the country.

At the outset, in the political sector, the President said that there was no reason to anticipate presidential elections and that, moreover, he had not understood the question posed by the newswoman.

Following this tack, he denounced certain foreign newsmen who take perverse pleasure in disseminating false news stories such as the one about generalized infanticide, the newscast by "TV 7-jours" titled "Didier Ratsiraka Prefers A Motorcycle" (in which the newscaster reports that Ratsiraka exchanges his place in the presidential limousine with the lead motorcycle escort because of his fear of being assassinated...).

In a related vein but on the subject of the political parties involved in the recent disturbances which ended up with the looting of Indo-Pakistani property, the president refused to cite names and limited himself to inviting each and everyone to try to find out "who benefits from the crime." As for the defamatory report according to which he uses international aid to repress the people, he said, "We may well take those who make such remarks into court, because it is enough to examine the manner in which this aid was used (the building of roads, factories, etc.)."

#### Economy

Turning next to the economic sector, the chief of state took advantage of the opportunity to announce certain new measures or recent information: The minimum price of rice was first set at 120 Malagasy francs so as not to harm the producers, given the fact that the price of the stockpile rice had been lowered to 360 Malagasy francs.

Similarly, the price of a kilo of vanilla was set at 100 Malagasy francs.

As regards the increase in the price of gasoline, this has risen only 10 instead of 30 percent. The price should be increased 30 percent; however, a determination was made that a bearable increase at the present time was only 10 percent. On this subject, the Malagasy people have breathed a "sigh" of relief.

As for the next devaluation, he does not yet know when this will occur, since it depends upon numerous factors, and other negotiations, particularly with the IMF. However, the president made a point of saying that devaluation was not bad per se; what is necessary to know are the limits to the bearable. It is necessary to devalue to encourage exports. For example, he cited the instability of the price of coffee which in September-October 1986 sold for \$1.80 per pound but now has dropped \$.80 per pound. According to him, if devaluation had not been undertaken, it would have been necessary to sell at a loss. Our devaluation, moreover, is bearable compared to that of certain Third World countries which runs from 100 to 200 percent.

#### Oil

President Ratsiraka also announced that the big oil companies have abandoned their exploration. They had found traces of oil, but the reserves discovered in this manner would not be profitable for these big companies. On the

other hand, these reserves could be profitable for Madagascar. That is why the director general of OMNIS was called to Paris by the President of the Democratic Republic of Madagascar to seek the means (principally financing) which will permit Madagascar to exploit these reserves on its own. This exploitation would require \$4.5 million (more than 3.5 billion Malagasy francs). According to the chief of state, a friendly country, whose name he did not divulge, has agreed to provide this sum of money. This means that the Democratic Republic of Madagascar will be able to commence drilling for its oil within a few months. In the meantime, the Big Island will import 70,000 tons of oil from the USSR this year.

However, these are not the only products which this country will import; 50,000 tons of rice will be imported this year; 30,000 tons in 1988; and also 30,000 tons in 1989.

In response to another question about rice, President Ratsiraka said that it was not possible to lower the price of rice in the Fokontany retail stores because if it is desirable to have the peasants participate effectively in attaining the goal of food self-sufficiency it is necessary for them to be paid for their efforts. In fact, if the prices of their products do not please them, the peasants might well stop producing.

On the subject of the slump in "Gasy" rice sales by middlemen (collecteurs), the president added that these individuals had speculated too much. However, they were told that the stockpile rice would last so long as necessary and that rice could no longer be the subject of "riso-riso" [?price rigging].

Finally, with regard to the resumption of classes at the university, the president expressed his satisfaction at the decision of all concerned. That is because for him the future of the nation's young people should not be played with.

This interview with the president lasted about 40 minutes. For the answers to very specific questions (concerning the SOLIMA deficit, the rise in the invoices of JIRAMA, Third World debts...), President Ratsiraka referred the newsmen to the respective officials or to his old speeches dealing with these subjects.

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MADAGASCAR

PRESIDENT DISCUSSES FOREIGN POLICY, DOMESTIC UNREST

Anti-Indian Violence Minimized

Antananarivo MADAGASCAR MATIN in French 28 Apr 87 pp 5-6

[Interview with President Didier Ratsiraka on RFI Press Club program in Paris; date not given]

[Text] The following is the introduction given President Ratsiraka by the master of ceremonies during the RFI Press Club program.

"Times are hard for all of us, President Ratsiraka, and you in Madagascar are no exception. In addition to the economic problems which are the most widely shared, you have recently had ethnic problems, demonstrations against the Indian-Pakistani community which have focused the spotlight on the Grande Ile of late. This has not prevented your government from pursuing its policy, one which was reoriented two years ago. After the very revolutionary period in the early years of your regime, a period marked domestically by excessive nationalizations; on the economic level by a series of undertakings of a collective nature; and on the diplomatic level by the establishment of very close relations with the communist countries, we have seen a more balanced policy, with the resumption of closer relations with France and even the United States (which did not prevent you from visiting North Korea, however, from which you have just returned), as well as the slowing of nationalizations and an agreement with the IMF.

We will discuss all of these things in the course of this Press Club program originating from the Embassy of Madagascar in Paris, with journalists representing LA CROIX, LE MONDE, LE FIGARO, LIBERATION and the RFI participating.

It is superfluous to introduce you, President Ratsiraka, since the RFI listeners know you well. You have participated in this Press Club program before. In fact, you were the first invited guest on this broadcast, but that was in 1982, and things have changed greatly since.

I would simply mention that you are 50 years old, have been president of the Democratic Republic of Madagascar for 11 and a half years, after serving as minister of foreign affairs under General Ramanantsoa. You were a naval

officer, were trained at the French Naval Academy, and you are the author of a Little Red Book and the Charter of the Malagasy Socialist Revolution.

[Question] You have just returned, then, from a trip to North Korea. When you left your country, you said that this was not a flight. Were things going so badly, then, that you needed to make such a statement?

[Answer] Indeed not! Things were not going as badly as you say. I made this statement in response to the statements you journalists made. I do not intend to put anyone whatsoever on trial here, but I have read in the columns of certain French newspapers that whenever things go badly, I fear a coup d'etat and I go to Andrakaka (the Andrakaka Military Base, near Ramena, on Diego-Suarez), or else that I flee to somewhere far from Antananarivo. Well, I say "no"--I do not "flee."

First of all, It is not true that I go to Andrakaka whenever something--for there is always something--goes wrong, and this is not the first time there have been student strikes or the plundering of shops following a soccer match in Antananarivo. I can tell you a secret, and it is that I have only been to Andrakaka once in my life. One single time, and it was for a vacation in a period when everything was calm. Thus you will make a note of this, I do hope, because you are here to report. The Andrakaka air field in question can accommodate the Antonov-12 aircraft, the heavy cargo planes, and since the presidential Yak 40 was inoperative, I had to take an Antonov-12. It was for this reason, then, that I went to Andrakaka. Just once, I tell you, and arriving by tugboat, lighter, etc.

Thus I had to make this statement to cut short any speculation about possible abdication, about a possible "flight" because things were going badly. If things had been going that badly, quite the contrary, I would not have left. I am saying very simply that there are responsible people in Antananarivo, that the government is there to govern, that the decentralized collectives are there to govern on their levels, and there is no need for the chief of state to be present every time an alarm sounds.

Thus things are not going as badly as some would have it believed.

[Question] Thus you did not flee and you are not abdicating. The fact remains that the rebellions in Madagascar have been extremely violent for some months now. I would like to know what your explanation as to the origins of the anti-Karana rebellions is. You must be aware that the opposition is talking about provocation on the part of groups linked with the regime, and according to a number of reports, it has been said that the forces of law and order showed a certain passivity when the Karana shops were attacked by the crowds of demonstrators. What is your explanation?

[Answer] A certain passivity? I would say "some passivity." You said "very violent." This term could also be modified, because not a single individual was killed. Not a single Karana died. Now my explanation, for what it is worth--it is my own--is that the people who are opposed to me directly or indirectly are asking themselves whether they can beat me in the next elections. Their answer is no. Thus they must destabilize the country. Some

have made statements to the effect that international bodies, whether it be the IMF or the World Bank, the FAD or the BAD, etc., are helping me. Why? Is it perhaps because the government has credibility and I myself am credible? Thus they do not know what to do in order to get rid of me, and as a result they upset the economy in order to prevent foreign investors from coming to Madagascar in the future. And that is an explanation which will stand up, in my opinion.

Secondly, what has happened in fact is that the people have had enough of certain more or less secret activities, and a certain arrogance on the part of some Karana who have money. And those who want people to come into the streets, who want to destabilize the country's economy, have found--too easily, in my opinion--that the best solution is precisely to plunder the Indian-Pakistani population, because there are three reasons for this.

First of all, some of the Indian-Pakistanis have developed schemes to the right and to the left and practice corruption (I do not say always, but I know it exists). On the other hand, certain Malagasy citizens owe money to these Indians, and unfortunately, the latter keep the pertinent documents at their homes. By burning their homes, the debtors automatically eliminate evidence of their debt. And so the plunderers break into their shops and then invite people to help themselves. This is one explanation.

Secondly, those who organized this business saw no farther than the ends of their noses, because in the end, it is a question of those with the hoses getting wet. When there are an additional 1,000 or 2,000 unemployed in Tulear because of the departure of the Indians, you will in the final analysis have to multiply this by five, because they have wives and children. Thus it soon becomes 10,000 unemployed and poor. The commerce in the hands of Indians and Pakistanis in Tulear, representing 80 or 90 percent, is blocked, and even the minor credit for the collection of products is blocked as well. Finally, the people are now beside themselves with impatience.

As to the statement that it was I who organized this--that is an impossibility. I have no interest in a lack of stability in the economy of the country, because whatever unjustifiable actions may have been committed by these Indian-Pakistanis, as compared to the economic and commercial contribution they have made to the economy of Madagascar, their various schemes, in general, do not weigh very heavily.

In addition, when it is said that the regime is sold out to the Karana, that everyone is corrupt and that the government is corrupt, I say "nyet." Just last year I halted the sale of secondhand goods by the Karana, a business running into the billions.

[Question] Aren't you afraid that by saying all this about the Indian-Pakistani community, you may in fact be encouraging the rebels, in the sense that you seem to justify them after the fact? You seem to be saying that yes, there are reasons of state and economics, but after all, these people...

[Answer] If you take only the negative side of my argument, yes. But I said that the people are impatient with this, because in the end it is the Malagasy

citizens themselves who are penalized by the departure of the Indians. And I say that it is a bad thing for the economy of the country, as well as for the Malagasy population.

[Question] It is said that an effort is being made to destabilize Madagascar at any price. Is it in that sense that you interpret the demonstrations and the student troubles in these recent months?

[Answer] Yes, indeed it is.

[Question] There is a certain uneasiness among the Malagasy citizens because we recently saw a soccer match degenerate into a confrontation. Is there then an uneasy feeling because of the present situation?

[Answer] There is an uneasiness like that in all of the universities of the world. You know something about that. It is the result of the fact that in 1972, there were only 10,000 students at the University of Madagascar, while in 1987, there are 42,000, despite the decentralization carried out in the six faritany, in which regional university centers were established. Despite this decentralization, enrollment is being blocked by the "eternal students," and thus we must make an effort to trim the excess. The project is good in itself. The reform was approved by the Cultural Commission of the Supreme Council of the Revolution, and there was a widespread consensus, it seems, among the students themselves, the teachers' union, the CSR and the minister, and I gave my agreement, because in the end it is in the general interest. In fact, the younger generation which has just passed the baccalaureate examinations will never be able to enroll if the older students block their access. Now we have baccalaureate certificate holders of 14, 15 and 16, while at the same time there are adult students 30 or 40 years old who are still at the university. This is rather unhealthy, and thus it is necessary to trim the fat.

But the politicians, those who engage in politicians' politics, those precisely who want destabilization, are profiting from this uneasiness to rally all of those who are discontent around themselves.

[Question] You speak of manipulation by the politicians. Who are these politicians?

[Answer] You know them as well as I do!

[Question] When you speak of a destabilization effort, are you thinking of people within Madagascar, in other words solely Malagasy citizens (and thus, possibly, those in the opposition parties), or are you also thinking of an effort to destabilize Madagascar from outside, in other words from this or that country?

[Answer] In fact, it is both together, I think. It bothers me somewhat to mention names, because I do not like to attack people individually like that. But all I know is that there is a group of three parties which are members of the National Front for the Defense of the Revolution and which have nothing in common but the fact that they rejected the 1986-87 budget and the 1986-90

plan. Some want the proletariat to win power, while others are working solely for excessive nationalism, and still others have an undefinable political orientation (one does not know for certain if they are leftists, rightists or centrists). In short, they have nothing in common.

But all I know is that responsible people in precisely these groups have encouraged these students. They come forward publicly to applaud them and to urge them to continue. I do not want to mention names because this is not in my nature, and I do not think that it would be wise for me to do that. However, there are people who have even sheltered the students being sought by the police.

And abroad, there is a little of everything, but without adequate evidence I cannot give you names. Why? For example, when a political leader to whom you have given more air time than to a chief of state (although, moreover, he came here recently) claims that there were 40,000 deaths in the South, that 280,000 people have emigrated toward the North, that I have bilked the state of funds, that all of this money which the foreign monetary bodies and nations have given as subsidies or loans to Ratsiraka is being used to repress the people, or again that I put this money in a Swiss bank account--my conscience remains clear, because this is an insult not only to me--that is all right, for I am accustomed to this sort of thing--but an insult to the international organizations and the friendly countries involved as well. How can one say that they are giving billions of Malagasy francs, hundreds of millions of dollars, to Madagascar, when they have representatives on the spot to check down to the last decimal point on the use of these funds which I am supposed to have diverted to an account in Switzerland or elsewhere?

[Question] Thus you react very harshly to the three parties and the leaders in question. Everyone knows who they are, at least in Madagascar, but how, specifically, do you plan to act? Does this mean the end of the political system as it has functioned in recent years, in which these parties are both in the system and in the opposition?

[Answer] You are right to ask this question, because the FNDR is built on a consensus, indeed national unanimity, to the extent of 94.6 percent. The election of the president, the constitution and the Charter of the Malagasy Socialist Revolution are firm foundations. Thus I think that this is something real, but it is a temporary alliance against nature, involving deputies from only one city in Madagascar, and in my opinion it is an alliance which cannot last. Thus this cannot be a "front within the front." In my view it is an epiphenomenon.

[Question] Mr President, in January of this year you expressed your profound recognition of the economic mistakes which had been made in Madagascar over a period of 15 years, and you asked the citizens of Madagascar to examine the situation again in 2 years. Is it truly realistic to imagine that it will be possible to reestablish the situation that rapidly?

[Answer] I recognized the mistakes made, but not all of them. I made a diagnosis. I said : "This is where we are, this is why we are here, and this is what I propose to you as solutions." In other words, the CASA, CASI,

CASPIC, the agreements with the IMF (standby), etc. I increased the prices paid to the peasant producers. All of this, then, encourages the people to produce (if you travel about the island now, you will see that rice is being cultivated from the North to the South, from the East to the West). I said that we will be self-sufficient in food by 1990. In my opinion, this is realistic. All I criticize certain journalists for is for seeing only the effects, and not the cause. You see very simply that things are going badly in a given sector of the Malagasy economy, things are going badly there from the social or economic point of view, without asking yourselves why. I will yield immediately to anyone who can find a miracle remedy for the situation I will describe, because he is competent to replace me.

In September and October 1986, the price of coffee was \$1.80 per pound. In April 1987, the price was \$0.80 per pound. Can something be done about this by altering the constitution, or by changing an attitude? Secondly, 45 to 50 percent of our budget income is allocated, after the rescheduling of payments on the debt service. Thirdly, I have asked the peasants to produce a great deal of vanilla, cloves, etc. Last year, for the first time in our history, there was surplus cotton production, and thus there was even enough to export. The market cannot absorb everything. It is not by changing the constitution or replacing individuals or stating that some children are dying in Antananarivo or in the South, or because a certain minister purchased a certain house, that you will be able to sell more vanilla.

[Question] However, your opponents assert that the production of rice before you came to office sufficed to meet Malagasy needs, while today it falls far short. They charge that the political system and the burdensome aspects you introduced into it basically ruined the Malagasy economy. What about that?

[Answer] The opponent who comes to me to say that would certainly not be a Malagasy citizen, or else he would be an opponent who knows absolutely nothing about the reality in his country. And as I have already said, it is a myth that I have long wanted destruction and have begun to carry it out.

[Question] When you said a moment ago that in fact rice is being cultivated today in Madagascar from the North to the South, from the East to the West, who in Madagascar is eating as much rice as he wants today? How can you explain the famine in the South?

[Answer] There is enough almost everywhere. We have 60,000 tons stored. I said that my opponent would certainly not come from Madagascar, or else would be unaware of the reality in Madagascar, because to my knowledge, Madagascar has always been a net importer of rice. What is happening is that Madagascar exported high quality rice and purchased rice which was 35 percent broken grains. It is like some of the Arabs who export poor quality oil and heavy oil, against light oil. And that is what was done. There was perhaps 1 single year in which there was a balance--this was during the period of the outline law, in 1956. The only year. But Madagascar has never been a net exporter of rice. Thus this is false.

You ask how the famine in the South can be explained. In that region there is cyclical drought. Less rice is raised there. The people raise livestock,

above all, and eat cassava and corn. Since I came to power, much more rice has been consumed than was the case before, showing, after all, that there has been a certain rise in the standard of living. Now what has happened is the following. When there is a drought, the zebu do not fatten and so they bring a poor price.

The people sell their cattle and 2 weeks later, they have nothing left. They sell even their eating utensils. Because the speculators, in rice precisely, sell the product at 100 Malagasy francs per kilogram. No one can buy it. It is inaccessible to the average small livestock breeder. Instead of screaming to the skies that there is famine in Madagascar, that 40,000 have died (no one knows, moreover, how they got this total, in the absence of death certificates--I do not know if there were 500 or a 1,000, but in any case, the number fell far short of this figure), we visited the area itself. I even sent my minister of agriculture. I sent members of the Political Bureau of the AREMA to help with the cultivation, because in my opinion it is not enough simply to provide rice, or corn or cassava. This is not the solution. You know the Chinese proverb. "If you want to help someone, do not give him fish, but rather a boat and a net so he can fish." Mr Koseinszko-Morizet said that too. Therefore work was done. Cultivation was undertaken and the rice distribution circuit was reorganized. You can go to the South to see that now rice is being sold at between 265 and 280 Malagasy francs. Some of your colleagues (RFO, Reuter) have gone there, moreover, and they did not see the 40,000 dead.

[Question] But Mr President, in combatting the famine, you used somewhat hasty methods. It was learned in Antananarivo, for example, that there were "death houses" for children--270 children were placed in abandoned slaughterhouses. And also, those called the "four friends"--you practically dumped them on a rubbish heap, and then there are the unemployed, etc.

[Answer] I expected this. I have read all the newspaper clippings on the subject. I am delighted to have an opportunity to respond. In 1975, there were what were called the ZOAM. These were people who were on the fringes, had no work, were unemployed... These people were used as mercenaries. They were cannon fodder. We wanted to come to their aid. Thus what were called the ZMT were established, and then the TTS. A whole building was purchased to shelter them for 80 million Malagasy francs. Sewing machines were purchased for the women, and the men were given work. Some of these people were able to pass the baccalaureate examinations and even to advance to third year studies on the higher level. For example, I arranged for them to produce crates for Lalasoa soybean milk in Ambatolampy, sacks for cement in Amboanio, embroidery, etc. Later these people were massacred by the "Kungfu," because in fact they engaged in active banditry, which even I could not tolerate. Then their building was burned and subsequently it was the "Kungfu" who took their place, swindling everyone, establishing a state within a state, engaging in violence, etc. As of that time, all of the young children and their parents (those who were not killed) found themselves in the streets, and whenever a foreign journalist came to visit, obviously it was they whom he saw. I did not ask these journalists to go look at the vagrants sleeping in the metro or along the banks of the Seine. Here these things are viewed as if they only happened in Antananarivo, and it is these people who are filmed.

What, then, was done? I asked the decentralized collectives, the municipality and the Ministry of Population to do something. I told them to take care of these people, because otherwise their presence would have a bad effect on the country, first of all, and also, from a human point of view, this is intolerable.

And so, then, the shelter and lodging centers, community villages, were established more or less everywhere. There are some which have been in operation since 1980. And about 30 kilometers from Antananarivo, a center called Imoron Imanga was established. But before the people could go there, since the ground needed to be developed, it was indeed necessary to provide provisional shelter for these poor unfortunates. But then it was said that they were transported in garbage trucks. In fact, I learned of this, but I was told that the trucks, returning empty from their work, picked them up so that they would not die of cold, and these trucks took them to the old Anosipatrana slaughterhouse.

There they are being fed, housed and educated. Is this a "death house" for children, a crematorium in the slaughterhouse? It is not true. I deny that there is any slaughterhouse for children of the Buchenwald or Dachau sort.

#### Economic Difficulties Minimal

Antananarivo MADAGASCAR MATIN in French 29 Apr 87 pp 5-6

[Text] [Question] I note that in the final analysis, the Western press is very poorly informed about Madagascar, because according to you one can see that the social policy of the Malagasy government is very well developed, if I understand rightly. But when one goes into the field, when one goes to talk to the humanitarian organizations which are taking care of the most neglected strata of the people, one finds that all of the officials of these organizations say: "Above all, do not talk about us, of what we are doing for these people, or you will get us expelled." I would like to understand this.

[Answer] Well, I too would like to understand. I would like to understand. and I would like for them to come to see me at the palace, because my wife has established more than 110 nurseries in Madagascar, precisely in order to accommodate the children of those who cannot take care of them, while the husband or the wife is working. And in Antananarivo, in this "death house" for children of which you speak, there are 14 of them. What prevents the parents of these children from sending them to the nurseries, for there is no distinction based on race, religion or political party, although it was the AREMA which built them? What prevents them from going there? The fact that it was the AREMA.

My sister-in-law, who is a member of the Political Bureau of the AREMA, went there precisely, to the South. There she found a very generous lady distributing rice to the peasants in Androy. Then my sister-in-law said to her: "This is not what is needed. One must sell the people rice, because they must feel the need to work and to produce." And then my sister-in-law took an "angady," a spade, bought corn, just unselected seed, and cultivated 42 hectares, together with the residents in the district.

Thus we need to help the people to help themselves, and not to distribute products free. The good lady accepted this argument because it was valid.

I do not understand it when these people of whom you speak say: "Don't report it." Does this mean that the Malagasy president does not have police to note that a given person is making a given gift? That is too much, and I thank you, even though your remark is a bit too enigmatic. However, we know what people are making gifts. For example, there are the International Red Cross, the Malagasy Red Cross, the pastors or the priests, the good sisters from the Christian schools, laymen, the Rotary Club, the Lions' Club, etc. People tell me: "But you are distributing only 53 kilograms to 260 children." But one can only pursue the policy the resources permit!

Others say to me: "The cement is received, the corrugated iron is received, and then finally these things are sold." But it is not possible to do anything but sell them, for if you cut up the corrugated iron sheets you have into as many pieces as there are residents in the city, each would receive only 50 cubic centimeters. It is necessary to sell them, but the first concern is public buildings, when a cyclone strikes. We take care of the hospitals, the secondary schools and the churches, because these buildings can shelter those who are without shelter. Then rice is sold, for example, at an official price, because the sales of this rice fund the Aid Coordination Committee for rebuilding the town.

And so I do not know if we are speaking the same language. Obviously it is always easy to criticize the people in the government. I for my part am not saying that there is no diversion of the iron or the cement somewhere--we are not angels--but I say that in the majority of cases, the gifts have been used in knowledgeable fashion.

When I am asked where the money from the BAD, the IBRD, France, the United States or Moscow went, I answer: "That road there, that bridge, that church which was destroyed--now they have been repaired."

[Question] Listening to you, one gets the impression that you are to some extent the victim of an international, domestic and general conspiracy. How do you explain this image problem you have? For in the final analysis, on reading the newspapers closely and seeing a certain unanimity about your country, one gets the impression that everything is going badly and that the threats and economic catastrophes in Madagascar are mounting? In another connection, what are the issues on which you can campaign in the coming elections, for they are approaching, while at the same time your survival is precarious, and there are perhaps those who would replace you?

[Answer] I do not know if they will find this replacement, but I am waiting! Let me answer the first question. Some time ago, please note, it was not like this! Read the article in LE FIGARO MAGAZINE. On the contrary, people said: "But how can that be? There is a clash with what we heard before." Obviously, a journalist visited and viewed the situation. Apart from the headline which "Madagascar Wants To Become French Again," the article was rather good. There is certainly more to be said about this, but I will not do so now. Several months ago, then, the situation was not the same.

[Question] Is there then only LE FIGARO MAGAZINE to come to your defense today?

[Answer] There is also LE NOUVEL OBSERVATEUR. Also note what the RFO and Reuter have reported, and you will understand.

I am happy precisely because of this opportunity to say the following.

Why is there such perseverance in disinformation? Why such stubborn ill will and ill-founded criticism of Madagascar? Is it that the socialist orientation of Madagascar is frightening? To whom? Why?

Is there fear that it is contagious? And while we are still in a phase of the national democratic revolution? We are not yet socialists. I have never said that we are in a socialist phase. Is there fear then that the Malagasy regime will infect the environs, or what?

In any case, whether I am blamed or praised, whatever the results of the actions I have been undertaking for almost 12 years now, I have a clean, clear and unchallengeable conscience, knowing that I am working for the Malagasy people, for the advance of this people, for the Third World (somewhat) and, why not, for humanity!

If I am attacked, if they want my head, my conscience is my shelter and my refuge.

[Question] There has been much discussion of economic issues, and so there are one or two questions in this connection. It has been said that you have had rather close relations with the IMF for a certain number of years. For the Marxist socialist you are, is this painful or not?

[Answer] Ask this of the Hungarians or the Romanians! They are geographically closer to you.

[Question] In terms of historic links, we are closer to you.

[Answer] Indeed, and that is why I fail to understand why there is such malevolence toward me. You are already seeking to replace me. If you have found this replacement, I would be happy to debate with him on all the issues. I have not outlived my time. I am alive, and I plan to run in the coming presidential elections.

[Question] If I have understood correctly, this means that there will thus be contradictory discussions in the course of the electoral campaign between President Ratsiraka and possible opponents?

[Answer] I have never refused that! Never! In any case, even if they have not been face to face, such discussions have always taken place. Each candidate has had his allotted campaign time on television or radio. There have even been some who have not used all of the time allocated. And whenever they campaign in a given fivondronana, district or faritany, I respond in another. Thus there has always been a debate.

But to claim that the results have been manipulated and that someone else should have won, when he only had support in 35 out of the 112 fivondronana--that is a bit much!

[Question] To return to the matter of the IMF, has it frankly been painful for you to submit to its humiliating terms, or not?

[Answer] Of course it is painful. If I could have done otherwise, I would have. But I tell you that given the current situation, given the current international economic, monetary and financial chaos, one cannot do otherwise. This is what I said in January 1987, and all that we are doing, all that we are trying to do, is to negotiate as best we can to ensure that the measures are not too burdensome for the Malagasy people. But--and we have the IMF to meet our needs, and the World Bank--when one speaks of the dilapidation of the Malagasy economy, it is necessary to begin by rectifying monetary and financial issues, and this situation has been corrected. No one can maintain the contrary. The overall operational deficit of the treasury, which was 18.4 percent of the gross domestic product, has dropped to 3.2 percent. Were you aware of that? The situation has been corrected. The current balance now is 9.7 percent, instead of 14.8 percent. Inflation, which was at 33, has dropped back to 14.5. Thus it was necessary to begin there in order to reestablish the major balances.

Now we need to ensure that these major balances and monetary recovery produce economic growth, because I have had enough of growth without development.

[Question] But in view of the unprecedented economic difficulties, Mr President, why not put your country back in the group of least-developed countries (LLDC). It seems that you are greatly opposed to including Madagascar in that category, although that would substantially alleviate the debt, for example. A country which has had equally serious economic problems, Mauritania, has just reentered that category.

[Answer] But one does not enter that category just like that! If your gross domestic product per capita is at a given level, you are in the LLDC category. If the figure is higher, you cannot be.

[Question] But at present, you are below that level!

[Answer] No, you are in fact very poorly informed. Ask the IMF and the World Bank. Ask the Ministry of Cooperation.

[Question] Is it dishonorable to return to the LLDC category?

[Answer] No, it is not dishonorable. I am telling you very simply that we do not meet the requirements for being in that category. But we do meet the requirements for enjoying the expanded facilities of the IMF. And that is something different from the "confirmation agreements."

[Question] Mr President, is it possible that in view of your original political orientation, you are very disappointed now with the aid received from the East, and are openly relying on the West to develop Madagascar?

[Answer] We talked of precisely this at the beginning, and I emphasize this statement. This is completely false, as I said in 1986 to all of the ambassadors serving in Madagascar.

First of all, I am not disappointed with the cooperation with the East. And secondly, it has never been a question of being closed to the West.

All that I have done, as compared to my predecessors, is to open up toward the East. And it is good that I did so, because we have been able to get oil from the Soviet Union for 4 years, for example, and the Soviet Union has given us 100,000 tons of rice. It is the same thing with the Chinese. They have built what is called the "nylon road in Madagascar," etc. Thus I am absolutely not disappointed. Get that out of your head!

[Question] And if you had it to do again, you would begin again...

[Answer] And I am continuing. I have just returned from Korea and Moscow, and I was able to obtain something in Moscow. But why do you say that I am disappointed with the East and not with the West? At this time I am also disappointed with the West, because there, apart from France (which I grant), there are not many countries which really understand the problems of the Third World. And it is there that I might be disappointed in the West, but I am not disappointed with the East.

[Question] You are just back from Moscow, and you said just a moment ago: "I obtained something in Moscow." What was it?

[Answer] Please let me give this information to Malagasy newsmen first.

[Question] What did you go to North Korea to do?

[Answer] I was invited in connection with the celebrations of the 75th birthday of President Kim Il Sung. He is an old friend. He has done many things for Madagascar. There are a thousand hectares of rice paddies in Ambatolampy, the House of the Pioneers and a cartridge factory. While previously we purchased ammunition abroad, we will now be self-sufficient in this sector. And then I went to negotiate on a matter which I will also discuss first with the Malagasy government.

[Question] And while in North Korea, did you also discuss relations in the security sector? Because it is said that this is one of the great specialties of North Korea in Africa.

[Answer] I have here before me an article which tells me about the North Korean "Praetorian Guard." But where did you see that? Listen, what need does an ambassador to Madagascar have for that? An ambassador to Madagascar from a foreign country is there to send dispatches and to report, whether it be to the Quai d'Orsay, the Foreign Office, the State Department, etc. But you will not find a single Korean in the presidential guard, I am sorry. There may be some Malagasy citizens with slanting eyes who resemble Koreans, but there is not a single Korean. I have no Korean "Praetorian Guard." You must erase that from your articles once and for all.

[Question] Mr President, are the Soviets continuing to demand of you what they did several years ago--in other words a certain number of facilities, such as airport privileges or the installation of consular branches in other Malagasy cities? Or have they realized that Antananarivo will always refuse to grant them such facilities?

[Answer] The Soviet Union asked for port, not airport, facilities, but you know very well what I am like. I am a nationalist, perhaps not truly nationalist, but a patriot. I am not going to force the French out of their base simply to put the Soviets in. They have long since understood that. In any case, Gorbachev has not asked this of me. He is a man with whom I get along very well, and I have no intention of giving any base whatsoever to the Soviets, nor to anyone else either. In my view, the bases in Madagascar should be Malagasy. The defense of Madagascar should be national defense.

[Question] At the very beginning of your term of office, you expressed admiration for the ideology of Kim Il Sung. Do you still feel that admiration today?

[Answer] Naturally. It is not so much admiration as appreciation, if you will.

I appreciate the fact that North Korea is a country which was completely destroyed by the war. Pyongyang was totally razed, but thanks to their own efforts, the Koreans have succeeded in making of Pyongyang what it is today.

In the days of Japanese colonialism, North Korea was a territory reserved for industry. Now North Korea is self-sufficient from the point of view of food and farm products.

North Korea has a disciplined people who want to work and who work harder than the Malagasy people (since I cannot speak of other countries). Let it be said in passing that if we had worked as hard as the Koreans, the Vietnamese or the Japanese, I assure you that we would have gone much farther and much more quickly. There is no harm in recognizing that the Japanese work well, quickly and efficiently. Japan is not communist. Nor is there any shame in saying that the Koreans work well and that they have a fierce determination to succeed.

What is "Djoutche?" It is the self-reliance urged by Nyerere, the same self-sufficiency which I urge. Thus I do not see why I should not espouse his views.

[Question] Mr President, you have always voiced your reservations, if not worry, about the increasing influence of the great powers in the Indian Ocean. Do you have the impression that they are currently disengaging from the region somewhat? Are you concerned about the increasing influence of India in the zone? How would you currently define the balance in the Indian Ocean region?

[Answer] No, I am not at all concerned. You know that we, in any case, are campaigning for disarmament. This "zero" option about which you have had so much to say in Europe--I have been talking about it for 10 years. I have

spoken of the "zero" option in the Indian Ocean, and I said that instead of a balance of terror, I want a "zero" balance, because I do not want the Indian Ocean region to become the focus of a new nuclear cataclysm during a third world war.

Thus in my opinion, the great powers or superpowers have other fish to fry instead of concerning themselves with the Indian Ocean region at this time.

[Question] Mr President, I would like to know if Madagascar still maintains trade relations with South Africa, and in another connection, I would like to know if you believe that France was right in pursuing the policy it did in Chad, in forcing the Libyan troops to withdraw from the northern part of that country? What is your judgment about the French policy in Chad?

[Answer] In answer to the first question, South Africa in my mind is a scourge. We have no trade relations with South Africa. Previously there was a consulate in South Africa, and I even visited there, because I was then taking over command of the Mailaka (a Malagasy vessel), and I saw what had happened there. As of that time, I reported to President Tsiranana that it was a mistake to have relations with South Africa. Once in the government, the first thing I did, obviously, was to break off relations with South Africa.

If there are Indian merchants who send goods to South Africa via Bombay and Nairobi, I would not have information about that. But officially, in any case, Malagasy operators do not do this. Madagascar does not maintain trade relations with South Africa.

Now you are asking me about my judgment and my evaluation of the policy of France with regard to Chad. I cannot allow myself to judge French policy, in general, and why especially in Chad? I cannot judge the policy of France in Chad. You journalists, you can allow yourselves to judge my policy!...

I recognize the GUNT because it is recognized by the OAU. In addition, the French government has recognized the GUNT, and Goukouni attended the conference of French-speaking nations in that era. I have no reason to conceal my position, but it is not for me to judge the policy of France.

[Question] But to turn the question asked you a moment ago around a bit, do you personally believe that the presence of the Libyan troops in the north of Chad was legitimate or not?

[Answer] On this I would say, as did Mr Aurillac: "If you are talking about the business of the Aouzou gang, it could be settled by the International Court of Justice."

[Question] I am speaking of the Libyan presence north of the 16th parallel. Do you believe that this was legitimate?

This was a conflict between two OAU member countries, and thus I believe you must have an opinion about it. Did Libya have the right to be....

[Answer] First of all, it was a domestic conflict. There was the GUNT in Lagos, and it was recognized by the OAU, with Goukouni as president and Hissein Habre as minister of defense and prime minister. Then there was the split. As of the time a country divides and one side brings off a coup d'etat, the other may appeal to a foreign country. You are familiar with this phenomenon, are you not? When the paratroopers are summoned to Kolwezi or elsewhere, you go to provide aid. If a legitimate government is destabilized by troublemakers, wherever they may come from, it is entirely legitimate for that government to ask a friendly country for aid. This was the case with Goukouni Weddeye, and Hissein Habre and Goukouni Weddeye went to Tripoli and Algiers previously, moreover, against Malloum and his predecessors. Thus as of the time a threat was felt, it was possible to demand the support and contribution of another government. In my view this is legitimate. Now as of the moment the GUNT faction began to crumble, that is their problem, and it will be debated in the OAU. I cannot prejudge what the final decision of the OAU will be in the matter.

[Question] How do you assess French economic aid to Madagascar, for in fact it has been considerable? France ranks second after Senegal, and it is keeping you alive, indirectly.

[Answer] It was not France which put me in office. Do you believe that this is free aid? You are well aware of what President Mitterrand said: "Aiding the Third World is aiding oneself." And so why not Madagascar? Isn't Madagascar a part of the Third World?

I am pleased with French aid and I am pleased that France has agreed to increase it. One is never satisfied with aid. One always wants more, but for the time being it suffices.

[Question] It appears that you are a great friend of the Elysee Palace at present.

[Answer] And the Matignon Palace!

[Question] In conclusion, Mr President, I will ask you about a contradiction I have noted, about a complex aspect of your personality. You said one day: "I am a dyed-in-the-wool socialist. I accept the economic approaches of Marxism, but I also believe firmly in God." Isn't all this a bit complicated?

[Answer] Not at all. I believe firmly in God. I say this and I proclaim it. In the Assembly of the Just, I proclaim that I believe fundamentally in God. I accept the generosity of the Marxist approach to economics and to society and social development, but this does not mean that I am a Marxist or a scientific socialist. I believe in God, and for me there is no contradiction. I am very content within myself.

[Question] Isn't there a paradox in believing in Marxism as a philosophy and believing in God, after all?

[Answer] I reject the lack of belief in God. I reject atheism. There I do not agree with Marxism. I spoke of the economic and social aspects of

Marxism, above all at its beginning. It is not because some have become deviationists that one should condemn the early Marxism, which was very generous. You cannot be unaware that some pastors, some imams and some priests do things which are not very Catholic, but one cannot condemn religion for this reason.

One must separate things. There is the initial philosophy and there is the practice of various groups. In any case, I repeat, I maintain, I insist and I state that I believe in God.

[Question] Mr President, this statement as to your credo will be your final word. I thank you and I also thank our colleagues. My thanks to everyone.

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MADAGASCAR

PRESIDENT'S STATEMENTS TO JOURNALISTS ANALYZED

Antananarivo MADAGASCAR MATIN in French 28 Apr 87 pp 1, 6

[Article by Franck Raharison]

[Text] The RTM has given us information about the trip President Didier Ratsiraka made abroad in more or less of a trickle, doubtless for the purpose of making the pleasure last. But beyond all intermediary, technical or schedule considerations, events precisely like the meeting of the chief of state with Paris journalists (Press Club on the RFI) should, in our view, be given priority. In fact, the subjects discussed on this occasion are almost all burning issues, and they thus merit both radio and television priority in Malagasy, and this has been true since Sunday, particularly as the chief of state was particularly trenchant in his remarks.

Nonetheless, we are pleased by the "speed" with which the radio system has broadcast this press conference, which should provide the people with more knowledge about the advance of the affairs of state in the social, economic and political realms, among others. While the president's pertinent comments took a while to reach us, they have not (fortunately) lost their value.

Quality

Several points held our attention in particular in the course of this Press Club program broadcast by the French International Radio, which apart from the quality of the questions asked by our Parisian colleagues, should serve the Malagasy press as an example. Let us note first of all that Mr Didier Ratsiraka, who was entirely magistral, more or less resolved the mystery surrounding the identity of those said to be behind the demonstrations and the discontent of the students. "It bothers me somewhat to mention names, but all that I know is that there is a group of three parties which are members of the Front (FNDR) and which have nothing in common but the fact that they rejected the 1986-87 budget and the 1986-90 plan. Some want the proletariat to win power, while others are working solely for excessive nationalism and concerning still others, one does not know for certain if they are leftists, rightists or centrists. But I know that responsible people among them have encouraged these students and have come forward publicly to applaud them and to say: "Continue, children." Among them there are people who have sheltered the students being sought by the police."

Everyone immediately understood what political parties were meant. The chief of state alluded here (without naming them) to the MFM, MONIMA K and the VTM. Did the meeting jointly organized in the covered stadium in Mahamasina last month by these three political organizations have some relation to the events of the past and present? A difficult question to answer. However, these three political movements, which will hold another meeting in the capital this coming 1 May, again this time without the presence of the four deputies from Antananarivo, but with Messrs Manandafy Rakotonirina, Monja Jaona and Razanabahiny Marojama presiding, will surely have some statement to make about what has been said to date.

#### Status of the Organizations

A French journalist asked during the Press Club program whether this means the end of the political system as it has existed in recent years, or whether the parties are both in the system and in the opposition. The president then commented on the "status" of precisely these three organizations. "The Front is built on a consensus, indeed national unanimity, to the extent of 94.6 percent. The election of the president, the constitution and the Charter of the Socialist Revolution are firm foundations. Thus I think that this is something real, but it is a temporary alliance against nature, involving deputies from only one city, and in my opinion it is an alliance which cannot last. Thus this cannot be," he said, "a front within the front. In my view, it is an epiphenomenon."

In another connection, the "Karana affair" once again occupied a prominent place in the course of this Press Club program. President Ratsiraka, who forcefully condemned the pillaging of which the Indian-Pakistani community has been the victim, implicitly admitted the existence of a certain ill will with regard to the Karana. He said that "The people have had enough of certain more or less secret activities, and a certain arrogance on the part of some Karana who have money." However, he berated those responsible for these difficulties, because, he noted: "Thus it soon becomes 10,000 unemployed and poor, and 80 to 90 percent of the trade in Tulear is blocked...." On this point as well, the president was crystal clear.

On the other hand, in connection with the students and the courses at the University of Antananarivo, the chief of state explained to the newsmen the need to "trim the fat from the enrollment," because the eternal students 30 to 40 years of age are blocking the way.

In short, all of this will serve as material for conversations and political speeches in the coming days. All that is wanted is for the discussions to develop within a democratic framework, free of hate and passion.

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MADAGASCAR

PRESIDENT DISCUSSES DEBT STRATEGY

Antananarivo MADAGASCAR MATIN in French 5 May 87 p 2

[Excerpts] (ANTA)--Toamasina--President Didier Ratsiraka and his wife traveled to Analavory in the Faritany of Antananarivo last Saturday.

As he had done in Fenerive-Est, in Analavory he participated in the rice and corn harvests before visiting the PROCOOPS' hog-raising center.

The speech given on that occasion by President Didier Ratsiraka focused on the national economy. In particular, he stressed food self-sufficiency which is the goal to be reached in 1990.

He also emphasized that the aid received from friendly countries could have been put in a bank account to finance his election campaign as others had done or it could have been distributed as had been done previously. On that occasion he recalled the \$3 million granted by the Arab countries which were distributed to the Fokontany, Firaisana, and Fivondronana throughout the island.

He said, "From now on aid of this kind will be used to create new jobs and to exploit arable areas that still lie fallow."

He then reported that merit and revolutionary graduates of courses in management, agronomy, and polytechnics of the University of Madagascar will be recruited by PROCOOPS, just as graduates of universities in Cuba, the USSR, and Romania have been recruited, all the more so because there is a PROCOOPS project for polytechnic students which will come into being next June.

"There are some who wish to change the constitution; however, changing the constitution will not alter the prices of coffee, cloves, or vanilla on the world market, and the prices of our imports will not decrease for all that," President Ratsiraka went on to say. "We can change the constitution ad infinitum; however, the solution to the problems of underdevelopment resides in the will of each of us to ensure the success of the revolution and to serve our country."

With respect to Madagascar's entrance into the IMF, Didier Ratsiraka explained that developing countries which are not members will suffer a great deal more than the Democratic Republic of Madagascar.

"Mauritius, for example, which does not belong to the IMF and which is not requesting a restructuring of its debts, benefits from aid from South Africa. Madagascar will never rely on South Africa," Ratsiraka asserted.

"There are three solutions which will permit the resolution of indebtedness," President Ratsiraka added.

"The first solution is for all the developing countries to refuse to pay their debts for 10 years to be economically independent.

"The second solution, which we have selected, is to negotiate with the IMF and the World Bank; otherwise we will be unable to borrow money abroad and will have to drop our projects for dams, factories, bridges, and roads because our foreign expenditures will be far greater than our revenues from exports, because of the anarchy of the economy and the world market.

"The third solution, which was selected by Mauritius, is to refrain from seeking the restructuring of debts; however, it is borrowing money to pay its debts, and Great Britain and South Africa are helping it pay its debts. For Mauritius, which has a population of 1 million inhabitants, perhaps the confection and production of sugar is sufficient for that population; however, for the 10 million Malagasy who aspire to a higher standard of living than the others, these products are not sufficient. Also have confidence because the choice we have made will permit us to attain food self-sufficiency in 1990, and this choice I promise you will lead us toward the socialist paradise.

"I ask that you not become victims of demagogues. To analyze individuals, analyze their program or the program of their party and you will realize who it is that will be able to lead you toward the socialist paradise," the president concluded.

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NATIONAL ASSEMBLY OPENING NOTED

Antananarivo MADAGASCAR MATIN in French 7 May 87 pp 1, 6

[Article by Franck Raharison: "Deputies Confront 'Post 1 May' Situation"]

[Text] Tomorrow, the National People's Assembly [ANP] will open its first session in 1987. In principle, this session is supposed to be the next-to-last of the present legislature, since elections have been scheduled for next year. We could say that today the deputies will be negotiating the last turn of the track before the homestretch budgetary session in November 1987.

Everything seems to indicate that this parliamentary session which will not end until the beginning of July 1987 will be particularly animated. And that is putting it mildly. The recent "alliance" of the four parties could well be strengthened a bit more this time by deputies occupying the middle ground (interposes). VITM, MFM, and MONIMA K might then be tempted to go into overtime in the Assembly. As for AREMA and AKFM, which have just brilliantly elected two deputies in the by-election, they will certainly reinforce their monolithism even more.

This notwithstanding, all of the debates help up to now in the ANP, although often impassioned, have never gone beyond the strictly democratic framework which the National Assembly has accustomed us to expect. No person or deputy would dare to "disturb" the mechanism which has functioned throughout the legislature and this with respect for the institutions.

Be that as it may, we are impatiently awaiting the opening address tomorrow (Friday) by the president of the ANP, L.X.M. Andrianarahanjaka. He will certainly calm emotions in the hope of bringing a little order to the ranks, by alluding to the various demonstrations which marked this famous "1 May."

In any event, these 2 months of parliamentary session will be unlike the preceding sessions. This will be an occasion for some deputies once again to disassociate themselves even further and for others to demonstrate that except for the Front there is no salvation.... To a certain degree, the preelection atmosphere which prevails at present in the country will have its repercussions and inevitably will influence the debates in the ANP. In any case, all of this is to the advantage of our young democracy!

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MADAGASCAR

PARLIAMENTARY CHOICE SIGNALS CONTINUITY IN TROUBLED TIMES

Antananarivo MADAGASCAR MATIN in French 13 May 87 p 1

[Text] As was to have been expected, the deputies who met in plenary session yesterday afternoon under the chairmanship of Charles Randriananja, the senior member, unanimously adopted the report of the committee which examines the Credits Management Account for the 1986 fiscal year of the National People's Assembly [ANP]. Because the use of public funds allocated to the Tsimbazaza Palace was characterized by "commendable clarity" and because the "sound management of the credits demonstrated an admirable forthrightness," all of the deputies present at this meeting also congratulated the Permanent Bureau for such a report. The modest sum of 32,554 Malagasy francs representing the balance is an achievement that should be given recognition. And the good results produced by elected officials from the four corners of the island mark the beginning of a determination whose extension is today's elections.

With respect to the retention of the members of the Permanent Bureau, the various committees, and the session secretaries, at least for the AFEMA party, which has a broad majority in the ANP, the deputies seem to have made up their minds to unite behind President L.X.M. Andrianarainjaka. They are ready to form a bloc to demonstrate to public opinion that they are maintaining their solidarity in spite of the recent disturbances which had created waves in Malagasy political sectors.

The reelection of L.X.M. Andrianarainjaka is not to be ruled out, and such a choice is a clear reflection of a mind set which seems to indicate this. It is even evident. In the face of suspicions on the part of deputies of other parties who have formed what some are now calling "the gang of four," AFEMA has selected continuity with no changes. Come hell or high water, they will prove this today.

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MADAGASCAR

BRIEFS

OIL SHIPMENTS UP--On the subject of the remarks made by President Didier Ratsiraka in Ivato on his return Saturday, a clarification is required. The USSR will increase its deliveries of oil to Madagascar this year by 70,000 tons, bringing the total to 320,000 tons out of the 450,000 tons we consume annually. Soviet deliveries of oil to Madagascar previously had a top limit of 250,000 tons per year. Finally, in the realm of oil prospecting, there will be no withdrawal by the foreign companies, but rather a redefinition of their operations in Madagascar. For example, they will for the time being cease drilling, an activity which will be taken over by OMNIS, to devote themselves to perfecting geological and seismic studies. [Text] [Antananarivo MADAGASCAR MATIN in French 28 Apr 87 p 6] 5157

CSO:3419/249

MMM TO REJECT RELATIONS WITH LIBYA

Port Louis LE MAURICIEN in French 18 May 87 p 4

[Text] The MMM [Mauritian Militant Movement] some time ago initiated debate on its foreign policy and the attitude the party will adopt toward certain countries. According to our information, it is mainly its relations with Libya that the members of the MMM have debated the most, but henceforth, the party will take a harder line toward that country. Many persons in the opposition party have come out against dialogue with Libya. In an interview granted to LE MAURICIEN on Friday, 27 March, Paul Berenger, leader of the MMM, emphasized that: "As for Libya, we actually do not even have contacts. There is no party in Libya and we have no contact with the Libyan Government." This position of the MMM leader has been confirmed by the current debate, according to our information.

In a statement made to LE MAURICIEN this morning, a very important member of the Political Bureau who is also a member of the Central Committee, noted that a majority of the MMM condemns Libyan policy and especially the government press in Mauritius, which serves al-Qadhdhafi.

"The MMM knows what to go by and clearly envisages the means of consolidating ties with other countries during the period of transition following the coming to power of an MMM government. Anerood Jugnauth's government will very soon be facing a problem. We are aware of the constant danger posed by Libya's mysterious interference in Mauritius and especially the pro-Alliance press and the newspaper supporting Minister of Finance Vishnu Lutchmeenairadoo. We in the MMM know that Lutchmeenairadoo is an unconditional supporter of Libya. He is now head of several progovernment newspapers."

Would there be diplomatic relations with Libya if the MMM should come to power? The debate is still open and heated. However, henceforth, it is said in the MMM, the prime minister designate of the Mauves and other members have reportedly claimed that there would be no diplomatic relations with the country of Colonel al-Qadhdhafi if the MMM should come to power.

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IMF REPORT HIGHLIGHTS ECONOMIC GROWTH, STABILITY

Port Louis LE MAURICIEN in French 16 May 87 p 6

[Article by Joseph Kakoza, Southeast Africa Division, IMF, African Department]

[Excerpts] The recent evolution of the Mauritian economy indicates that a successful financial stabilization policy can open the way to the achievement of high growth rates. The country's economic growth rate is now double the figure for the 1979-1980 fiscal year (July to June), the inflation and unemployment rates have dropped substantially and the balance of payments now shows a surplus. These impressive results, obtained by a country handicapped by inadequate resources, is explained by two elements of the government's strategy: the adoption of corrective measures before foreign imbalances become uncontrollable; and the implementation of economic policy measures spread out over several years with consistency and determination.

By the 1985-1986 fiscal year, that strategy had already yielded spectacular results: The rate of growth of the gross domestic product (PIB) reached 6 percent, compared with only 3 percent in 1979-1980. Inflation, which reached a record level of 33 percent in 1980-1981, fell to 4.3 percent. Unemployment has dropped considerably. Current foreign transactions, which recorded an unprecedented deficit of 15.5 percent of the PIB in 1980-1981, showed a surplus equivalent to 5.5 percent of the PIB. Finally, the ratio of service on the foreign debt, which had shot up to a record 26.5 percent the previous fiscal year, fell to 19.6 percent.

Adjustment of the Economic Policy

At the beginning of the 1980's, Mauritian authorities, exercising great determination and perseverance, implemented a stabilization program and wide-ranging structural measures. The program adopted, which included action on the management of demand as well as structural measures, aimed to control the growth in consumption, stimulate domestic savings and investment and take more measures to boost production and exports.

These policies were backed by five successive confirmation agreements with the Fund and two structural adjustment loans from the World Bank. Between 1979-1980 and 1985-1986, Mauritius made purchases from the Fund equivalent to 203 million in SDR and received loans from the Fiduciary Fund for a total of

9.1 million in SDR. These two structural adjustment loans amounted to a total of \$55 million and the World Bank also granted Mauritius several draft loans earmarked for different sectors.

**Budgetary and monetary policies:** The essential objective of the stabilization effort was to regularly reduce the government's budget deficit so as to increase public savings and free resources for the private sector. The budget adjustment mainly involved equipment expenditures. They dropped 46 percent in nominal terms between 1979-1980 and 1985-1986. Nevertheless, this reduction fits into the framework of the revised investment program of the public sector, which provided for a reorientation of the overall development strategy developed by the government. Other budgetary measures included a substantial reduction in expenditures for price subsidies on rice and flour, small wage and salary hikes for government employees, stricter control of other spending and a sharp increase in indirect taxes. Consequently, the overall budget deficit dropped in proportion to the PIB, going from 14 percent in 1980-1981 to some 4 percent in 1985-1986.

Nevertheless, fiscal measures increased charges affecting the sugar industry. The repeated increases in export duties between 1979 and 1983 coincided with a drop in sugar export prices and an increase in wage costs. Consequently, the profitability of the sector declined significantly.

The monetary policy was aimed at reducing the inflation rate and promoting foreign adjustments and economic growth. The reduction in the budget deficit brought about a net decline in the government's share of the expansion of overall domestic credit. This trend eased the redistribution of a growing proportion of bank resources to the benefit of the private sector, particularly the processing industries oriented toward the expanding exports. The policy aimed at maintaining positive real interest rates also helped mobilize financial savings.

**Revenue policy:** The purpose of the wage policy was to strengthen foreign competitiveness. In particular, averages increases in wages and salaries were clearly lower than the inflation rate for the preceding year. In fact, while consumer prices rose by 234.6 percent between the 1979-1980 fiscal year and the 1985-1986 fiscal year, cost-of-living wage adjustments for the economy as a whole were on the average under 150 percent, which was equivalent to a reduction of 25 percent in real wages.

The maintenance of equitable differences between the different income brackets is another element of the government's wage policy. In particular, cost-of-living adjustments for the lowest wages approached or exceeded the reference rate of inflation, while for the highest wages, such adjustments were clearly smaller. Consequently, while real average wages tended to drop, the average wages of workers earning the lowest wages rose slightly. This trend resulted in a tightening of the wage range, which made it difficult for the public - sector to retain qualified personnel.

**Rate of exchange policy:** The exchange rate policy played a cardinal role in checking the demand for imports and improving the foreign competitiveness and

profitability of the export sector. Two major devaluations in the early 1980's were followed by the establishment of a flexible exchange rate policy aimed at preserving the country's competitiveness. The real effective exchange rate of the Mauritian rupee, which had risen considerably previous to the period of adjustment, lost some 13 percent of its value between the month of July 1979 and July 1986, so that compared with 1975, the actual real depreciation amounted to 21 percent. This policy had particularly favorable effects on the export sector. Expressed in U.S. dollars, wages in that sector showed a net decline.

**Structural measures:** The adjustment in the Mauritian economy mainly resulted in increased production, particularly in sectors based on exports, which greatly helped reduce both foreign and domestic imbalances. The growth in the manufacturing industry geared toward exports and the expansion of production in general affected many of the policies aimed at strengthening measures promoting production and exports.

The most important one of these policies is the one linked to promotion of the industrial free zone (ZFI) set up in 1970. Enterprises operating in the ZFI enjoy a number of fiscal and credit advantages. Among the fiscal benefits is exemption from corporate taxes for the first 10 years and a reduction in that tax for the following years. These companies are also exempt from import taxes with respect to foreign purchases of equipment and raw materials. They enjoy flexible provisions for the repatriation of capital. Other advantages extended to enterprises in the ZFI include priority in obtaining loans and foreign exchange, the granting of subsidies to plant construction and substantial government aid in promoting exports abroad.

Effective 1 July 1985, within the framework of a general revision of corporate taxes, authorities modified and extended to other exporters the fiscal benefits applicable to enterprises operating in the ZFI. On that occasion, the rates of taxes on companies were reduced, the maximum rate from 55 to 35 percent. Enterprises in the ZFI set up after that date have a 15-percent tax rate throughout their existence. Enterprises operating in the ZFI previous to 1 January 1985 were able to choose the new tax system or remain under the old system. Other Mauritian producers exporting part or all of their production also obtained a reduction in the income tax of 2 percentage points for any quantity exported corresponding to 10 percentage points of their total production.

Manufacturers whose production is based on exports reacted to these advantages in a remarkable manner, particularly over the past 3 years. Gross exports of enterprises in the ZFI went from 25 percent of all exports in 1979 to some 50 percent in 1986. The zone's share of total employment went from approximately 9 percent in 1979 to some 30 percent in 1986.

Another series of a structural nature concerned the sugar sector. These measures included the reduction in 1985, the closing of inefficient sugar mills and the development of a program to modernize the sector.

By 1985-1986, price controls, which affected many products at the beginning of the adjustment period, involved only a few essential products. In addition, import quotas, which along with customs tariffs protected industries taking the place of imports, were gradually eliminated in 1985. It is partially thanks to these policies that Mauritius is now covering its food needs with respect to a number of commodities.

Given the net improvement in the economic situation, authorities are now planning to implement structural reforms in agriculture and industry. More precisely, with the assistance of the World Bank, a plan of action for the sugar industry will be continued. Its main objectives are: to increase the productivity of plantations, labor and capital; to modernize sugar mills and improve the financial results of the sector; and to provide technical assistance to small operators.

As far as industry is concerned, authorities plan to reform the tariff system by simplifying it and reducing export duties so as to reduce the protection enjoyed by industries taking the place of imports. In addition, with the assistance of the World Bank, the government is studying ways of improving the efficiency of enterprises in the public sector and making them less dependent on the government's budget. With the technical assistance of the Fund, authorities also plan to develop programs to liberalize exchange control and make management of the credit policy more flexible.

Relations with commercial partners, donors and international institutions: The success Mauritius has enjoyed to date has to a very great extent been the result of policies applied by its trading partners and financial backers. The World Bank has granted several draft loans and two structural adjustment loans, while other donors, both multilateral and bilateral, have also helped the country in its efforts. Between 1979 and 1986, the Fund granted important aid to help the balance of payments within the framework of five confirmation agreements.

Mauritius has benefited from policies of access to markets in the EEC and the United States, but the country remains vulnerable to changes that might occur in such policies. In the past, policies of access to American and European markets for textile products have been sufficiently flexible to permit rapid growth of Mauritian exports. This phenomenon itself has engendered both domestic and foreign investments that have led to rapid growth of exports (except during the recession of 1981-1982). The EEC is buying most of Mauritius' sugar exports by virtue of preferential marketing arrangements concluded within the framework of the Lome Convention. These provisions have enabled Mauritius to obtain export prices that are clearly higher than the depressed prices prevailing on world markets from 1979 to 1986. Today, protectionist trends in certain industrialized countries are darkening export prospects of Mauritian textile products. Since Mauritius is a relatively effective producer of sugar as well as textile products, protectionism over the coming years will be a decisive factor with respect to its industrialization and economic growth.

**Political and social stability:** One crucial element underlying Mauritius' economic progress is its political and social stability, which has strengthened confidence at home and abroad. This situation has eased an energetic implementation of investment and economic policy reforms. The favorable climate has permitted dynamic growth of private investments, both at home and abroad. The country has also been able to ward off risks of both a capital and brain drain.

**Prospects:** Although considerable progress has been accomplished, the economy remains vulnerable. To consolidate the results of recent years, it will be necessary to continue implementation of structural reforms in the sugar, industrial and public sectors. Given the country's vulnerability to cyclones and exogenous factors, the level of international reserves should be increased. In order to do so, there must be a steady growth of exports, accompanied by a diversification of products in the industrial free zone and continued openness of foreign markets.

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OPPOSITION UNASSURED OF CONTINUED PARLIAMENTARY MAJORITY

Port Louis LE MAURICIEN in French 6 May 87 pp 1, 8

[First two paragraphs are LE MAURICIEN introduction]

[Text] The opposition continues to hold a majority in Parliament, but 10 deputies--either "undecided" or censured by the Rault Commission--could determine the fate of the budget and the date of the next general election.

Between now and the by-elections, the balance of power in Parliament definitely favors the opposition which holds 31 of the 67 seats currently occupied, to the government's 26.

But the situation in Parliament places the key to the majority, and consequently the fate of the budget which the Jugnauth government wants to submit on 6 October, in the hands of some 10 deputies who are "undecided" or who were expelled or resigned from the MSM [Mauritian Socialist Movement] or the RTM after having been found guilty of drug trafficking. These 10 deputies could also enable the MSM to put off a general election until after October or even later.

The 10 deputies are: Messrs Y. Mohamed and K. Purryag (PTR [Labor Party]), K. Bhayat and R. Beedassy (MSM undecideds), K. Pillay (independent), D. Kim Currun (resigned from the MSM), and S. Thomas, A. Chinien, S. Pelladoah and I. Nawoor (censured by the Rault Commission).

By recruiting among the 10 deputies and by banking on the two by-elections in the south, the MSM has hopes of rebuilding a governmental majority to prevent elections from being held before October and to pass the budget.

However, LE MAURICIEN is in a position to state that for the present, Mr Jugnauth has not officially adopted these calculations. Rather, they are the work of the other members of the party's political bureau. Will the prime minister take an official stand with regard to the 10 deputies who, for one reason or another, have distanced themselves from the government? What we do know is that he has left it up to Messrs Ramjuttun and Ajay Daby and other members of the political bureau to go about the recruiting his government needs in order to cross the threshold of 31 deputies.

The vote of Deputy K. Deepalsingh could also be sought, but the former minister of agriculture remained the subject of a virulent MSM campaign as late as last week. Dr Ramjuttun is counting heavily on the votes of Messrs Bhayat, Pillay and Beedassy in the arithmetic that he and his colleagues at the MSM political bureau have been doing for several days.

The price that Mr Jugnauth will have to pay to the "undecideds" and to the others in terms of "tickets," may be a high one at a time when a number of problems have already arisen in negotiations with the PTr and the PMSD [Mauritian Social Democratic Party], without mentioning the role that the RTM could play. Indeed, Mr Jugnauth most likely does not consider returning to power, in the event of a victory, in order to be at the mercy of the "undecideds" or his other allies. Moreover, in the "committee stage" of the budget, there could be a great deal of bargaining and pressuring on nearly every important item. Finally, no one has a certain victory in the by-elections in the south.

12413/12851  
CSO: 3419/245

PRIME MINISTER DISCUSSES CONSEQUENCES OF BUDGET VOTE

Port Louis LE MAURICIEN in French 11 May 87 p 1

[First paragraph is LE MAURICIEN introduction]

[Text] The prime minister, Mr Aneerood Jugnauth, could, if the budget is passed, put off elections until 1988. This was learned in an interview that Mr Jugnauth granted in his office on Friday to Mr Maurice Botbol, managing editor of the international weekly, LA LETTRE DE L'OCEAN INDIEN. Mr Jugnauth stated that submitting the budget was part "of one scenario among several, which I have already raised."

According to the prime minister, the 1987-88 budget will be submitted to parliament on 6 October and the opposition will be called upon to vote in favor of it. "If the budget is rejected, we could organize elections within 2 weeks," Mr Jugnauth said in response to a question.

"The opposition will take responsibility if the budget is rejected and if government employees are not paid their salaries and go hungry," Mr Jugnauth stated.

Asked whether the deputies found guilty of drug trafficking would take part in the vote on the budget, Mr Jugnauth firmly stated that while they have indeed been expelled from the ranks of the government, he did not plan to prevent them from sitting in Parliament because they are protected "by the Constitution of Mauritius" and will also have to assume "their responsibilities" when called upon to vote on the budget.

However, even if the MMM [Mauritian Militant Movement] votes against the budget, Mr Jugnauth will not lose hope of seeing it pass. He believes that some deputies will split with the opposition and vote with the government.

Once the budget is passed, "we have until August 1988 to go," Mr Jugnauth said.

In addition, the prime minister wished to make it clear that his relations with Sir Gaetan Duval are "very good." "Do not believe that we are on bad terms," he added. "We are on excellent terms."

Mr Jugnauth also reiterated his offer of the offices of Deputy Speaker and Chairman of Committees to opposition deputies. The MMM may avail itself of that offer, if it wishes, the prime minister stated.

The head of government also believes that "politics is a sport in Mauritius" and that "the country cannot live without politics." He was responding to a question the journalist had asked on economic progress, which has continued even through the worst moments in the political crises the country has been experiencing for several years.

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MAURITIUS

WORKERS FEDERATION OPPOSES BUDGET DELAY

Port Louis LE MAURICIEN in French 16 May 87 p 4

[Text] The General Workers Federation (GWF) has protested the government's decision to present its draft budget in October. The trade union organization claims that the budget should be presented in June or July, as is generally the case, so as not to penalize workers and so they may obtain their compensation.

In a bulletin released to the press yesterday, it is stated that the GWF harshly condemns the prime minister's statement on presentation of the 1987-1988 budget in October. While protesting the proposal, the GWF deems it inadmissible that workers, the unemployed and other low-income social categories should have to wait until October to obtain their compensation and above all, that they should be able to recover the purchasing power lost over the course of preceding years.

Regarding recent fiscal measures taken by the government, the GWF notes the drop in prices on certain luxury and semi-luxury items, but notes that "nothing has yet been done regarding basic goods, particularly foodstuffs." The GWF also expects the cost of public transportation, electricity and water to go down, the bulletin states, because of the favorable economic situation. "All Mauritian workers expect their efforts and sacrifices to achieve the economic recovery now underway will be rewarded."

Finally, the GWF condemns what it calls "the shameful political blackmail of the prime minister aimed at the mass of wage earners and involving the use of scornful language," as reported in the press. The prime minister stated that "the opposition will assume its responsibilities if government employees do not receive their salaries and starve to death as a result of the possible rejection of the budget."

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RIGHTS GROUP DEPLORES DELAYED OPENING OF PARLIAMENT

Port Louis LE MAURICIEN in French 12 May 87 pp 1, 3

[Communiqué of the Committee of Democratic Rights [CDD] signed by the CDD secretary; first two paragraphs are LE MAURICIEN introduction]

[Text] In a communiqué issued to the press, the Committee of Democratic Rights (CDD) announced that it opposes the convening of Parliament on 6 October and asks that the legislative assembly be called into session at the earliest date, not at the whim of a government subject to internal crises. According to the CDD, it is a slap in the face of democracy. In the same communiqué, the CDD also decries the acts of violence that have occurred at certain political gatherings and rallies of late. It asks "that the police commissioner take firm and swift action, not only to halt disturbances by hired bullies, but also to restore the people's trust in those whose job it is to maintain law and order in this country."

The following is the text of the CDD's communiqué:

"The Committee of Democratic Rights (CDD) was shocked to learn of the government's decision not to call Parliament into session until October. For the CDD, this decision is nothing less than a slap in the face of democracy and an insult to our democratic institutions.

"It is, in fact, unacceptable for those in power to make a mockery of the very symbol of democracy--government by the people and for the people (?)--because of their internal political disputes and their inability to build a majority. This abuse of power and flagrant denial of democratic rights must be denounced with the utmost rigor. We are compelled by other reasons as well to condemn such a decision and demand that Parliament be called back into session as soon as possible:

"(a) Parliamentary sessions should be held with regularity and not as dictated by the whims of the government.

"(b) Deputies and ministers are paid out of public funds and through Parliament, must account for their actions to the taxpayers and to those who elected them.

"(c) The adjournment of parliament until October would mean that the deputies charged by the investigating commission on drugs would be paid their salaries (the people's money) for 10 months and continue to enjoy the privileges of office.

"The CDD wishes to recall at this time that the politicians now in power are those who condemned such postponements of Parliament when they were in the opposition under the Ramgoolam government.

"For these reasons therefore, the CDD appeals to the vital and democratic forces to condemn vigorously the convening of Parliament in October and asks all opposition parties to consider a common strategy against this stifling of democratic life.

"In addition, the CDD is concerned to note that political gatherings and rallies have of late been troubled by acts of violence. Such infringements on the freedom of expression of those politically opposed to the instigators of these acts of violence constitute a very serious threat to the future of democracy in Mauritius. The CDD is also worried by the failure of the police present at the time of the incidents to respond and asks that the police commissioner take firm and swift action, not only to halt disturbances by hired bullies, but also to restore the people's trust in those whose job it is to maintain law and order in this country."

12413/12851  
CSO: 3419/245

MMM CALLS FOR EARLY ELECTIONS

Port Louis LE MAURICIEN in French 12 May 87 pp 1, 8

[Text] The MMM [Mauritian Militant Movement] did not take long to reply to the statement, published in yesterday's edition of LE MAURICIEN, by the prime minister, Mr Aneerood Jugnauth. The prime minister had indicated that the opposition would be responsible if the 1987-88 budget is not passed by the Assembly. Responding for the MMM, Mr Prem Nababsing, who is designated to become prime minister in a "Mauve" party government, stated last evening in Epinay that it is not the opposition's role to keep the government in power. He issued the following challenge to Aneerood Jugnauth: "If the government has a majority, let it submit the budget in June and call a general election as soon as possible."

He also reprehended the prime minister who, although referred to as "the prime minister of uncommon integrity" by Sir Maurice Rault in his report, told an international journalist that he would seek the votes of deputies censured for drug smuggling to pass his budget and remain in power. For his part, Mr Paul Berenger, leader of the "Mauves," called everyone to the test: dissidents from the MSM [Mauritian Socialist Movement], the PTR [Labor Party], the FTS, all those in protest, the PMSD [Mauritian Social Democratic Party], as well as the Sir Maurice Rault and the governor general. All are in fact calling for a general election and the MMM is waiting for them, the governor general included, to accept their responsibilities. Mr Berenger declared that he is waiting for a response from Sir Maurice Rault who has had nothing but praise for Mr Jugnauth while the government has failed to take action against those censured by the report and the prime minister "of uncommon integrity," who referred to the drug-dealing deputies as "brown pigs (cochons marrons)" that should be chased out, now publicity states that he will rely on their votes. The MMM leader asked, "What will Sir Maurice Rault have to say?" He added that there will be developments in the days to come, Mr Berenger said, "Well in advance of the by-elections, we can put the government in the minority and every politician should meet his responsibilities. We cannot allow Jugnauth and the dangerous 'dimounes' around him to win and put the country on a dangerous course."

The government must step down if it does not have a majority. The plan to submit the budget in October is merely a political ploy by the Alliance to remain in power, "but we give him 5 months notice that the MMM cannot vote

for the budget," Mr Nababsing stated. "If the government is as strong as it claims, let it submit the budget in June as usual. As of now, deputies and politicians must assume their responsibilities. Let each of them state openly here and now who will vote for the budget and who will not. The message is clear. The country is plagued by confusion and it is time that everyone take a stand once and for all. It is not possible in a democracy to play with the future of a country as the prime minister's entourage is doing now." Mr Nababsing continued, "For there to be order in the country, there must be order in Parliament." "The government, most of all the prime minister, has done a great deal of talking about the commission investigating drugs, but the country is now discovering that the mafia is bringing still more drugs into the country. Nothing has been done. More serious still, the speaker of the assembly, who should act as judge in Parliament, has stated in the past 5 months since he began his campaign that he would not preside over an assembly where drug traffickers sit. He now says that he will call Parliament into session on 6 October. But, Mr Nababsing asked, will the speaker preside impartially over Parliament?

"Why," Mr Nababsing asked the audience, "did Aneerood Jugnauth call elections in 1983 when only 12 ministers had left his government and he admitted he did not have a majority and now that he has fewer deputies to form a majority, why does he refuse to go to the polls? The answer," Mr Nababsing stated, "is that the prime minister knew, in 1983, that he could win an election, but the Alliance knows from the government's recently conducted polls that it cannot win now. The government," he continued, "has two options: It can either go to the governor general and tell him that it does not have a majority and that Mr Jugnauth must be replaced by someone who can command a majority in Parliament, or it can dissolve the Assembly and call the country to the polls." "When Mr Jugnauth asks the opposition to assume its responsibilities and vote for the budget," the MMM stated, "the government is on the wrong track. It is not up to the opposition to prove that it has a majority in Parliament; it is up to the government to prove that it 'commands the House.' It is deplorable that Mr Ajay Daby, who some time ago declared that he could find the means to suspend the drug-smuggling deputies, that a way must be found to keep the deputies censured by the Rault report out of the Assembly, is now singing a different tune."

In brief remarks, the MMM leader, Mr Paul Berenger, said that these are serious times for the country. "The government has undergone a palace coup and Aneerood Jugnauth is no longer surrounded by the likes of Dulloo and Bappoo but by the likes of Ramjuttun, Daby and Lutchmeenaraaidoo--the most dangerous elements in the Alliance. Parliament has not met since last October and it will be a year before it meets again," Mr Berenger stated. "The government claims that if the budget is not passed on 6 October, it will dissolve the Assembly and call a general election within 2 weeks. Either Aneerood Jugnauth is not telling the truth or he does not know the law." Mr Berenger added, "He does not have the right to call elections until at least 1 month after the dissolution of the Assembly. Zotte oule faire croire qui certains dimounes au sein du MMM pou donne zotte coup de main pour faire passe le budget et ene certain la gazette qui pe donne ca banne fausse nouvelles-la. Zotte faire croire zotte per capave acheter certaines dimounes [Creole words]."

"The prime minister had said in Mahebourg that the drug traffickers must be chased out like brown pigs and yet he stated to LE MAURICIEN yesterday that the drug traffickers must assume their responsibilities. I am waiting for the reaction of Sir Maurice Rault who referred to the prime minister in his report as 'of uncommon integrity.' The same prime minister is forced to appeal to deputies censured in the Rault report. I remind Sir Maurice Rault of his responsibilities: si li ena conscience de ce qui pe passe mo le guette qui li pou faire [Creole words]."

Moreover, Sir Gaetan Duval has stated to the press that he knows that the government does not have a majority to govern and that investors are panicking. This is harmful to the country. The country is moving in dangerous directions."

Speaking on the social situation, the opposition leader remarked that undesirables are at work under the very nose of the police who are unable to respond. With all due respect to police officers and to this respected and respectable body, the police commissioner, Mr Kowlessur, is giving free rein to hoodlums. "Kowlessur must respond." The opposition leader remarked that a country has serious problems when not all is right in the legal system. He cited as an example the fact that the son of Sir Satcam Boolell, minister of agriculture, can be seen at a public podium, while some civil servants do not have the right to appear on a political platform. "Cotte l'indépendance judiciaire avec la police fine passer? [Creole words]"

Mr Berenger made an appeal to all those demanding that Parliament be dissolved and a general election held: "Let the dissidents from the MSM/OPR the FTS, the Socialist Party of Gayan or even Bundhun, and the PMSD assume their responsibilities. (The PMSD knows who betrayed it from within the Alliance.) Before 5 July, the country will see some developments," Mr Berenger concluded.

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MAURITIUS

MMM SCORNS ROLE FOR DEPUTY-TRAFFICKERS

Port Louis LE NOUVEAU MILITANT in French 17 May 87 p 3

[Text] In a press conference last Friday, the MMM strictly criticized the behavior of Prime Minister Aneerood Jugnauth, who now would like to rely on the vote of four deputies who were indicted for drug traffic--Pelladoah, Chinien, Nawoor and Thomas--in order to have the budget passed. The MMM considers contemptible the irresponsible and dangerous blackmail on the subject of the budget. Furthermore, the MMM strongly condemns the "brutal, arbitrary and barbaric" dismissal of Mrs Dabee-Bhunjun, secretary of the town of Curepipe. It is obvious to the leader of the opposition that the Alliance will receive in the next partial elections the same type of lesson it was given in the municipal elections.

The leader of the opposition, who was surrounded by Prem Nababsing, Dharmanand Fokeer, Cassam Uteem and Jean-Claude de L'Estrac, recalled that from August 1983 to December 1985 Prime Minister Aneerood Jugnauth had governed the country either by using or tolerating communalism, repression, fraud, corruption and drugs. From the beginning of 1986 to 1 May 1987, after the Alliance was defeated in the municipal elections, and after the Amsterdam affair, Jugnauth tried to change personae and to put the blame for all the faults of the 1983-1985 period on Harish Boodhoo. "Starting with 1 May last, Jugnauth revealed his true face once again, that of 1983-1985, for it was then that he said that he will count on the votes of the deputies-traffickers. He has engaged in discussing blackmail concerning the budget and has tolerated and encouraged the power of cagers; on Thursday we witnessed in the Curepipe municipality the brutal and arbitrary dismissal of its secretary, Mrs Dabee-Bhunjun," Berenger pointed out.

The MMM, Berenger specified, considers the situation as extremely grave for the country and that should a palace revolution and an end of the system come about, it would be the most dangerous and irresponsible elements within the government, such as Ramjuttum, Daby, Lutchmeenaraidoo and Jugnauth personally, who will bring about the darkest hours of the country.

A Question for Maurice Rault

Berenger emphasized the fact that Mauritius had still not sufficiently become aware of the enormity of the decision taken by Prime Minister Jugnauth of

relying in parliament on the votes of Chinien, Pelladoah, Thomas and Nawoor, four deputies who were indicted for drug trafficking by the Rault Drug Investigation Commission. "Every Mauritian, including Sir Maurice Rault, who, in his interim report described Jugnauth as a 'prime minister of uncommon integrity,' should react to this. It is revolting and shocking for Aneerood Jugnauth to suggest now that these four deputies-traffickers to come to parliament as it reopens, to be saluted by the police guarding the parliament, and to be respected and protected by the speaker and tolerated by the opposition," Berenger said.

Berenger also warned the population against the gossip which is being spread every day by the group running the government. They are engaged in disinformation, poisoning and manipulation using the newspaper of the MSM and manipulations achieved through the publication of some articles in the independent press. Within this context he hinted that every day fabrications are being created to make it believe that the MMM deputies would join the government or that a conflict exists within the MMM. "This is a facet of a dangerous and irresponsible behavior on the part of such people," Berenger said.

#### Jugnauth-Thomas-Chinien

He also said that the fact that since the first of May Jugnauth has once again shown his true face, it means that he is asking to be given a harsh lesson at the forthcoming partial elections, as he had received at the municipal elections of December 1985. By the will of history each of the two districts where partial elections will be held will include a deputy-trafficker already indicted in the Rault report. In the first case this applies to Chinien and in the second, to Thomas, on whom Jugnauth is relying at the reopening of parliament," Berenger said. He concluded by saying that the voters of Mahebourg/Plaine Magnien and Riviere des Anguilles/Souillac assume a tremendous historical and moral responsibility.

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DISSIDENT LABOR PARTY GAINS SUPPORTERS

Port Louis LE NOUVEAU MILITANT in French 17 May 87 p 2

[Excerpt] Four members of the Labor Party Executive, Suresh Benyparsad, Cassam Chukoury, Nishansingh Chubbah and Prem Ramloll resigned from Sir Satcam Boolell's party and joined the Baichoo group. The labor dissidents who held their first meeting on Friday at Riviere du Rempart are establishing the final details prior to setting up a new political party--the Ramgoolam Labor Party--the symbol of which will be a flower.

Baichoo's friends have already indicated that they intend to be competing and to participate in the next general elections to block the MSM/Boolell Alliance. This coming Tuesday Baichoo and his friends could proclaim the founding of their party, which would embody the ideas of Ramgoolamism.

The resignation of these four members has raised the number of laborites who have rejected the leadership of Sir Satcam Boolell last year to 22. Baichoo and his friends, who resigned from the Labor Party, accuse Sir Satcam Boolell of having "made Ramboolamist philosophy deviate in order to auction to Jugnauth a party with a glorious past." "We are true laborists and we shall be present to bear high the torch left by the late Sir Seewoosagur Ramgoolam," they said.

As far as the founding of a new political party is concerned, the discussions have reached a very advanced stage and an important meeting is planned for this morning, to finalize its modalities. A consensus is already apparent within the Baichoo group on giving to the party the name of Ramgoolam Labor Party (PTR). As far as the party's leadership is concerned, a spokesman for the group said that initially it will be a collective leadership of three people, and that Anil Baichoo will be its first secretary general. The announcement about the party will be made Monday evening.

Dissident labor circles have indicated that it is quite likely that the Boodhoo group may join this new political party. Should this happen, Harish Boodhoo will be one of the three members of the triumvirate which will guide the Ramgoolam Labor Party. Let us note that Harish Boodhoo was present at a meeting of labor dissidents at Riviere du Rempart, last Friday. Actually, Jugdish Meeheelaul, who chaired the meeting, thanked Boodhoo at the end of the meeting, for his moral support for the dissidents.

At their first meeting, which had drawn a crowd estimated at more than 1,500 people, the labor dissidents concentrated their fire on Sir Satcam Boolell and Prime Minister Aneerood Jugnauth. In turn, Simadree Virahsawmy announced his candidacy for Riviere du Rempart/Piton in order to make sure that Jugnauth would be defeated in the balloting. "We will also be present in the south, to ensure Jugnauth's defeat in the partial elections," he said.

Baichoo said that Sir Satcam Boolell does not care for the Labor Party and that he is promoting nothing but his own interests. Baichoo said that it was high time for Sir Satcam Boolell to surrender the Labor Party leadership to Dr Navin Ramgoolam. The former secretary general of the Labor Party said that Sir Satcam Boolell had destabilized the Alliance Government as a revenge for his dismissal. "Sir Satcam Boolell had incited Bhayat, Purryag, Gayan and Pillay to resign from the government in January 1986. In July 1986 he encouraged Deepalsingh, Soobadar and Beedassy to leave. His strategy is to bring the wall down block by block. But having accomplished this, he goes on to prop it up," Baichoo said.

Baichoo claimed that in order to achieve his political ambition, Sir Satcam Boolell had assigned him in 1986 to negotiate an alliance with the MMM.

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CSO: 3419/258

MAURITIUS

BISHOP DEPLORES PRICE OF ECONOMIC SUCCESS

Statements Made During Workers' Mass

Port Louis LE MAURICIEN in French 2 May 87 pp 1, 4

[Report on sermon by Jean Margeot, bishop of Port Louis, during a workers' mass at St. Mary's Secondary School in Rose Hill on 1 May 1987]

[Excerpts] "On 7 May, at a mass at Mary Queen of Peace, I will tell you who to vote for in the upcoming elections. I will not mention candidates or parties by name. Instead, I will present the profiles of those who deserve your vote." That announcement was made by Jean Margeot, bishop of Port Louis, in his homily during the mass on 1 May at St. Mary's Secondary School in Rose Hill.

Turning to a theme that originated abroad--the "Shattered Society"--J. Margeot said there were obvious signs of such a division in Mauritius as well. He thus condemned communalism, pointing out that it centers on its community rather than on the fatherland. He also talked about the split between social classes, which consist of "those who have and those who have not; those who have political, financial, and economic power and those who have neither power nor a voice."

Continuing his review of local realities, J. Margeot turned to the free zone. Putting its beginnings in context, he explained that after the eradication of malaria in the late 1940's, strong population growth was predicted. Three solutions were suggested: birth control, emigration, and economic development. In the bishop's opinion, birth control is an accomplished fact, since we have achieved zero growth. Concerning emigration, he said that while it has good effects, it also has bad ones.

Free Zone: Economic Success

He estimated at between 4,000 and 5,000 the number who leave each year. The Catholic Church loses good baptized members as a result, and that led him to speak of a "weakening." As for economic development, he said that at the time, no one was aware of its precise significance in terms of social effects. Along with tourism, the free zone made its appearance in the 1970's with four

firms employing some 600 people. According to last year's figures, there are now 318 firms with a labor force of 61,700. The bishop then said that while unemployment is rife all over the world, Mauritius has recorded a decline, the employed active population having gone from 21 percent to 15 percent [as published]. J. Margeot added: "Honesty requires recognition that the free zone (which currently provides 71,700 jobs) is an economic success." But, he said, "the same is not true in the social area or in family life." After noting that in 1986, for the first time in years, there were more exports than imports, he said that the national debt was now taking only 19 percent of the gross domestic product, compared to 46 percent 3 years ago. The bishop attributed the recently announced tax relief to the (relatively) good economic health existing in the country. From there he went on to discuss the harmful effects of Mauritian-style industrialization of the free zone type.

#### Humanization Necessary

He said: "But we should not look only at economic success, because the huge financial resources available mean that the rich may become richer while the poor become poorer. The poor must benefit from growth. It is necessary to define tax and incentive measures that will lead in the direction of a fair redistribution of wealth." Concerning life in the factories, the bishop said: "The free zone must be humanized. It is a necessary sector; without it, the country might have experienced social revolution. But with the free zone has come a mutilated society. The workers do not have the necessary time for their families, training, or church activities. We need to take another look at overtime, which is uncontrolled. Workers find themselves being called in on weekends and even on Easter. That needs to be looked at. We need to reach a state of equilibrium in which the workers are the first to be considered."

J. Margeot also expressed his point of view concerning the place of union leaders in the free zone, saying: "Have their consciences been bought? Have they been corrupted? They are not seen there anymore. They no longer have the strength they once had. Union action is necessary, but it must be honest. One must not ask for the moon." He said he had taken note of the proposals by the National Remuneration Board (which included a 15-percent pay increase), and he described them as "very good." J. Margeot then stressed the need to humanize the free zone, "where the workers must not be robots." He even said that "participation in decisionmaking" should be introduced in that sector.

#### Unions' Rebuttal of Bishop's Remarks

Port Louis LE MAURICIEN in French 4 May 87 pp 1, 12

[Text] Two union federations represented in the free zone reacted this morning to remarks concerning the role of unions in that labor sector which were made by Bishop Jean Margeot during his homily at the mass on 1 May. The General Workers Federation [GWF] and especially its affiliated union, the Textile and Clothes Manufacturing Workers Union [TCMWU], while respecting the bishop's right to speak and especially his position, do not agree with everything said by the head of the Catholic Church.

For its part, the United Workers Federation [FTU] has been compiling a voluminous dossier since this morning, and it will send the result to the bishop to apprise him of the many steps it has taken on behalf of workers in the free zone. A delegation from the FTU will also visit the bishop's office.

In his homily on 1 May, Bishop Jean Margeot made no bones about saying what he thought of union leaders in the free zone. His allusions were pointed: "Have their consciences been bought? Have they been corrupted? They are not seen there anymore. They no longer have the strength they once had. Union action is necessary, but it must be honest. One must not ask for the moon," said Margeot.

This morning, the GWF appointed Yousouf Sooklall, in his dual capacity as the TCMWU's deputy chairman and chief negotiator, to express, "with all the customary respect," the shock caused in that union by those remarks.

According to Sooklall, "the GWF is surprised that the bishop should have chosen Labor Day as the day on which to make unjustified and general remarks instead of preaching unity among workers. The GWF firmly dissociates itself from his statement. We feel that if the bishop says unions are nonexistent in the free zone, he is not well informed. Instead of wondering about the consciences of the union leaders and asking himself whether they are corrupt, Bishop Margeot would have done more to help the struggle to humanize labor by explaining to working men and women the need to join the union. A great majority of the labor force in the free zone does not belong to a union because unions are discouraged."

In the opinion of the GWF, the lack of harmony among unions is due to each one's ideological choices--the union policy pursued by each central union. On that subject, the GWF's representative says that "knowing Bishop Margeot's courage, one can hope that he will unhesitatingly take a stand in favor of the GWF's call for a common front by the unions."

While acknowledging the bishop's democratic right to comment on any subject affecting man and society, the GWF regards as profoundly unjust the remark concerning unions that "ask for the moon." The federation is asking the bishop to take another look at the union demands submitted to the National Remuneration Board, particularly the one concerning abrogation of the Industrial Relations Act, all the more since the NAB is the only body empowered to change conditions in the free zone.

The GWF says it is not in its interest to get involved in a controversy with the head of the Catholic Church. On the contrary, "the bishop, precisely because of his high office, is in a position to help bring progress in the fight for amendments to the Economic Processing Zone Act (of 1970) by joining the struggle against excessive overtime, against the 'double cut system' (deducting 2 days of pay for 1 day of absence), and for better planning of overtime hours."

The GWF nonetheless says it supports Bishop Margeot if the head of the church was referring to union leaders who talk one way in the workplace and at press

conferences but who, when they are on a political platform, justify measures going counter to the interests of the workers.

Lastly, the GWF announces that in the days to come, it will call for a front to consist of unions, political parties, and individuals interested in putting more humanism into the free zone and says it hopes sincerely and ardently that Bishop Margeot himself will participate in one way or another.

Alain Laridon of the FTU does not share the views of the bishop, who he says may have been poorly informed concerning the real activities by unions in the free zone. The FTU recognizes the bishop's democratic rights but hopes to persuade Margeot discreetly by presenting him with a voluminous dossier on the subject.

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CSO: 3419/247

MAURITIUS

IMPORT DUTIES TO BE REDUCED

Port Louis LE MAURICIEN in French 2 May 87 p 12

[Excerpt] Customs duties on small-engined cars (less than 1,100 cc and from 1,100 to 1,300 cc), motorcycles, mopeds, refrigerators, television sets, jewelry, cosmetic products, and other items are being reduced by from 10 to 173 percent effective today. In addition, effective this morning, customs duty will no longer be imposed on trucks, vans, bicycles, or bus chassis assembled locally, while the importation of used automobiles is now banned.

Those were the measures announced on Thursday by Minister of Finance Vishnu Lutchmeenaraidoo, and they are the result of a reorganization of customs duties, that being the condition imposed by the World Bank for granting Mauritius credits on the order of 300 million rupees under the Industrial Sector Adjustment Loan (ISAL). The African Development bank (ADB) is also participating in the ISAL with an amount of 450 million rupees. The loan will be paid out in two equal installments of 375 million rupees each over a period of 2 years. The reductions in customs duties announced by the minister are part of the first phase of tariff reorganization, meaning that more reductions are to take effect after 1 year.

Lutchmeenaraidoo emphasized that the government had promised the World Bank and the ADB that it would alter customs tariffs to a) reduce the protection enjoyed by firms producing substitutes for imports, and b) encourage local industry to become more competitive and to gear itself even more toward exports. The minister explained that it had been necessary at first to encourage the substitution industry. That sector grew very quickly, but because of the small domestic market, it became necessary to consider exporting our products to give the national economy a boost and create jobs. In 15 years, the free zone has become the chief generator of foreign exchange and jobs. "The country's economic future is in exports. It is natural, therefore, that local production should turn to exports, thus making economies of scale possible. But that approach requires that Mauritian products be competitive in terms of price and quality. The changes called for under the ISAL will help make Mauritian production competitive," the minister said.

As part of its reorganization of customs tariffs, the government has decided to change the way in which the rates are presented. Tariffs will now be shown

in two columns (preferential tariffs and general tariffs) instead of three (so-called fiscal tariffs, general tariffs, and preferential tariffs). A third column will be added later for trade with countries in the preferential trade zone of East Africa and southern Africa. Preferential tariffs apply to products from the Common Market, the United States, South Africa, Australia, Canada, Hong Kong, India, Malaysia, New Zealand, Pakistan, Singapore, and Kenya. General tariffs apply to products imported from, among other places, the PRC, Taiwan, Japan, Thailand, the Soviet Union, and Switzerland.

Lutchmeenaraidoo said he had insisted on leaving alcoholic beverages and cigarettes alone during the first phase of the reorganization. He emphasized: "Any change in the tariffs on those products will have a social impact and harm local firms. We have no interest in encouraging people to drink." A thorough study will be conducted before a decision is made. The minister also announced that any reduction in customs duties might be offset by the introduction of an excise tax, which would be imposed on both imported products and products manufactured locally.

11798

CSO: 3419/247

MAURITIUS

BANK OF MAURITIUS MAKES RECOMMENDATIONS

Port Louis LE MAURICIEN in French 19 May 87 p 4

[Text] Continuation of the policy to control demand, maintenance of a non-inflationary monetary policy, preservation of the competitiveness of our exports, a prudent wage policy and a realistic exchange rate policy, improved productivity and diversification of the industrial base: These are the measures recommended by the Bank of Mauritius in its annual report for 1985-1986 in order to achieve the economic recovery begun in 1983 and ensure its long-range success.

The Central Bank states that this fiscal year offers even better prospects. The growth rate is an estimated 6 percent, while unemployment should drop (down from 15 percent in June 1986 to 12 percent in June 1987). Guaranteeing that there would be no major problem, the Bank of Mauritius predicts that performance in the three key sectors of the Mauritian economy (sugar industry, the free zone and tourist industry) should be better than in 1985-1986. The stability of prices on the local market, sustained by a suitable monetary and fiscal policy, accompanied by the emergence of a favorable international economic environment (drop in oil prices, a lower dollar and interest rates) would help boost the national economy. The Central Bank also believes that the current account and balance of payments will leave positive balances that will be higher than in 1985-1986, thus increasing the level of the country's reserves. Already, by the end of March 1987, those reserves represented the equivalent of three months of imports (2.5 billion rupees), while by the end of June 1986, they amounted to only 747 million, or four weeks of imports.

Middle Income Group

Reviewing the country's economic and financial situation in 1985-1986, the Central Bank believes that the developments which have occurred in the course of this fiscal year show that the Mauritian economy has responded remarkably well to the stabilization programs. The growth rate for 1985 was 6.5 percent compared with 4.7 percent in 1984. Expressed in American dollars, the gross national product (GNP) per capita rose by 23 percent, going from \$749 in 1984 to \$922 in 1985. "Mauritius is thus comfortably seated among the middle income group of countries in the world," the Central Bank states.

The report indicates that the level of savings has gradually risen at a rate higher than in 1984 (30 percent compared with 21 percent). In percentage of the gross domestic product at market prices, savings rose 21 percent in 1985, 3 percent more than in 1984. There has also been a 20-percent increase in investments, while foreign investments, amounting to 12 million rupees in 1983, reached 158 million in 1985.

#### Positive Balance After 10 Years

On the commercial level, export receipts were an estimated 7,505,000,000 in 1985-1986, an increase of 30 percent. The cost of our imports totaled 8,565,000,000 rupees, an increase of 19 percent. It should be noted that the value of our imports rose by 25 percent in 1984. The Central Bank emphasizes that gross receipts of the free zone exceeded those of the sugar sector. In 1985-1986, the free zone exported 4,089,000,000 rupees worth of goods, but imported 3,128,000,000 worth. Net receipts of the sector went from 492 million to 962 million rupees from one year to the next.

The report also emphasizes a remarkable fact: For the first time since 1975, the current account of the balance of payments showed a positive result of 134 million rupees. The current account is an important indicator inasmuch as it shows whether our economy has progressed without direct foreign financial aid.

Regarding the balance of payments, the Bank of Mauritius notes that there was a surplus of 643 million rupees compared with 398 million in 1984-1985. The improvement in the current account and the balance of payments resulted in an increase in our foreign exchange reserves: from 465 million rupees in June 1985 to 774 million in June 1986. "This improvement in the level of foreign exchange reserves was achieved despite a substantial amount of external repayments of 1,185,000,000 rupees, inclusive of interest, during the 1985-1986 year," the Central Bank states.

The country's foreign debt is no longer a matter for concern, the Bank of Mauritius believes in the light of the evolution of the situation in 1985-1986. Actually, at the end of the fiscal year in question, the foreign debt (reimbursement due to the IMF included) amounted to 4.68 billion, compared with 5,621,000,000 rupees in June 1985. The cost of service on the debt (including reimbursements to the IMF) in percentage of export receipts was 19.4 in 1985-1986, 7.4 percent less than in 1984-1985. Excluding repayment of the IMF, the debt service ratio was only 10.1 percent, compared with 13.9 percent in 1984-1985.

The report also emphasizes: 1) the drop in the rate of inflation (from 8.3 percent in 1984-1985 to 4.3 percent in 1985-1986); 2) the unemployment rate (from 18 percent in June 1985 to 15 percent in June 1986); 3) the 26-percent increase in savings (from 4.53 billion in June 1985 to 5,699,000,000 in June 1986); 4) the 13-percent increase in domestic credits; and 5) the reduction in the budget deficit (from 824 million in 1984-1985 to 639 million in 1985-1986).

In the light of the evolution of the principal indicators, the Bank of Mauritius concludes that the Mauritian economy "is back on its growth path."

BRIEFS

BOODHOO FORMS NEW PARTY--At a political rally in Vacoas, Mr Harish Boodhoo will announce the formation of a new political party. It will bring together the dissidents of other parties who are close to him--former members of the PSM [Mauritian Socialist Party], in particular. It is said the party will also include labor elements. Already, some Laborites are openly associating themselves with the Boodhoo group. At Boodhoo's rally in Belle-Vue Maurel, a former labor minister, Mr O. Saccaram, was to be seen at Mr Boodhoo's side. However, the question raised is whether the new party will run in the next general election. There is no doubt that this third force would upset the existing order of things. We will have the answer on Wednesday to whether there will be a three-way contest or a new electoral alliance. [Text] [Port Louis LE MAURICIEN in French 24 Apr 87 p 1] 12413/12851

NEW LABOR PARTY HEAD--Labor Party sources confirmed this morning that Sir Satcam Boolell will formally be asked to relinquish his leadership of the Labor Party to Dr Navin Ramgoolam. In connection with this, the authorized sources also confirmed that two meetings will be held this afternoon--the first of them, between the secretary general of the Labor Party, Mr Anil Baichoo, and Dr Navin Ramgoolam, at 1430. The second will take place at 1500 between Mr Baichoo and Sir Satcam Boolell. The secretary general of the Labor Party will bring the leader up to date on the latest developments, namely, that an "absolute majority" has formed within the party's red central committee in favor of Dr Ramgoolam's accession to the office of party leader. [Text] [Port Louis LE MAURICIEN in French 30 Apr 87 p 1] 12413/12851

TEA PRICE DOWN--The price of tea has again dropped on the London market: in a single week, the price paid for the tea allotment sold by auction in the British capital dropped below the psychological threshold of 13.00 rupees per kilogram to hover around 12.40 rupees throughout last week. The downward trend is affecting in particular the category of tea known as "low medium," which makes up the largest share of exported Mauritian tea. After being quoted at 13.00 rupees (65 pence) per kilogram during the first half of this month, the price dropped again to settle at 12.40 rupees (62 pence). In contrast to low medium tea, the tea classified as best quality was being auctioned at an average price of 341 pence per kilogram. Tea falling into the low medium category was being sold at an average auction price of 75 pence for that produced in Zimbabwe, 69.7 pence for that produced in Malawi, and 111.7 pence for that produced in Kenya. [Text] [Port Louis LE MAURICIEN in French 27 Apr 87 p 12] 11798

MOZAMBIQUE

JOE SLOVO ON PURPOSE OF VISIT, NATURE OF STRUGGLE IN RSA

Maputo NOTICIAS in Portuguese 26 Jun 87 p 5

[Text of interview with Joe Slovo, secretary general of the South African Communist Party, by Teresa Lima, in Maputo, date not given; first paragraph is NOTICIAS introduction]

[Text] "We feel we are not yet at a point where the sun will come out tomorrow, that they (the South African regime) are so weakened that they will collapse and that the people are already so strong that they will capture the enemy castle, but there is no doubt that we are in a completely new phase," declared Joe Slovo, secretary general of the South African Communist Party [SACP], in an interview which he granted recently in Maputo. This leader of the South African liberation movement said, on the other hand: "Clearly, the type of activity which the people have been witnessing on television for 2 years, youths hurling rocks at tanks, this type of activity, will not be the right answer for much longer," because "the people are learning to create new forms of organization--despite the wall of silence imposed by the enemy on all the mass media--that in every direction will soon destroy the racist regime" of South Africa.

Joe Slovo, the old baobab, in battle and in bearing. This man with flaxen hair and smiling blue eyes behind the thick lenses is viewed with terror by the apartheid regime. He was in Maputo at the invitation of the FRELIMO Party and we spoke with him. His 25 years in the Umkhonto we Sizwe--the military arm of the ANC--and many others in the SACP are the reason and the base of his experience and consequent engagement in the struggle for the liberation of South Africa. Joe Slovo is currently secretary general of the South African Communist Party and he believes the sun will soon come out for everyone.

Question: What are the objectives of your visit to Mozambique?

Answer: The primary objective is to discuss and exchange views with representatives of the FRELIMO Party on the situation in southern Africa, in our country and in Mozambique, because, basically, the two peoples and organizations face a common enemy and certainly have the same short-range goals, which are to do everything possible to put an end to the racist domination, the racist aggression, which is the common denominator in our struggle and the struggle of the Mozambican people.

**Question:** Would you comment on the last South African attack against Maputo?

**Answer:** That attack is one more in a series of examples that prove, beyond any doubt, that we have on this continent one of the cruelest terrorist regimes ever witnessed in our modern history. This is another act of retaliation and terror against innocent Mozambicans and it is another step by this regime in the escalation of the conflict and the externalization of its problems to the neighboring countries.

**Question:** In your opinion, what are the implications of this attack for the Nkomati Accord?

**Answer:** I think it is becoming clear to all of us, to the South African people, to the Mozambican people, to the FRELIMO Party, that at this moment the signed agreement continues to be violated by the racist regime, sometimes covertly, sometimes openly. We know what they have done with the armed bands, which could not survive without the continued support and all the means that Pretoria places at their disposal. This is another example that, as South Africa has told the world, they are not interested in accords like the Nkomati Accord and, although they signed it, they will continue to undermine the sovereignty and independence of Mozambique and the neighboring countries, in an attempt to dominate them and to prevent them from taking up their role.

**Question:** In this phase of the struggle inside South Africa, what practical action is being taken by the Communist Party, inside and outside the country?

**Answer:** We are part of an alliance which is headed by the ANC and we believe the principal action of the alliance is to intensify the struggle against the apartheid regime by every possible means. History has shown that we have always engaged in actions, some greater, some lesser, but we have always taken action. One thing is absolutely clear, however, both inside and outside the country. The only language which the regime understands is, in fact, the language of violence. This is what they practice against their people and against the neighboring states and, for this reason, one of the principal actions we face is to respond to this violence, combining our political struggle with armed revolutionary violence.

**Question:** What are the primary targets?

**Answer:** Our targets have always been dictated by a revolutionary principle; that is, our targets are not civilians or innocent people, people of one race or another, but the enemy, its armed forces, its installations and institutions. It is also clear that, unfortunately, in the course of the armed conflict, sometimes innocent people suffer; they are wounded or killed. This happens, not because we plan it this way, but because it is one of the inevitable consequences of a legitimate struggle for liberation, in which we are engaged. Examining our principal activities inside the country throughout the years, no one in the world can point a finger at us and say we disregarded the lives of innocent people.

**Question:** What do you think about the so-called "vigilantes"?

**Answer:** The "vigilantes" are a technique that all fascist regimes use during an escalation of the war for national liberation. When they cannot fulfill the aspirations of the people, or they are not prepared to respond to them, then here, in Latin America and in other parts of the world, they turn the internal conflict into a conflict of blacks against whites. An example of this is the "vigilantes." They use the technique of hiring mercenaries, exploiting the unemployed, setting them against their own people, exploiting organizations of the "Inkatha" type, which have a tribal base, to attack their own brothers, to attack the people's political organizations. This is what is happening inside South Africa, where one of the major tasks we face is to combat this creation of the enemy, and we believe we will achieve our goal of preventing the increase of these "vigilantes." But, at the same time, we cannot be complacent. All colonial powers get all the parasites of the society, the "lumpen," to boycott the people's struggle.

**Question:** What are the prospects for the future of South Africa?

**Answer:** There is absolutely no doubt that we are in a period in which we can already glimpse change. We think we are not yet at the point where the sun will come out tomorrow, that they are so weakened that they will collapse and that the people are so strong that they will take the enemy castle, but there is no doubt whatever that we are in a completely new phase. Since August 1984, when the present phase of the revolution began, a situation has been created which cannot be likened to previous periods. Despite the oppression, despite the arrest of 30,000 militants throughout our history and at all levels of our struggle, despite the settlement of the black zones, despite the offensive against the unions, against the youth movement, against the organization of women, it is clear that they have not succeeded in breaking the morale of the people. We can see this in the recent speech by the finance minister to the parliament, asking for a 40-percent increase in the budget for the police and for the army; to justify the increase, he said that the regime in South Africa is now facing the greatest threat in its history; that is, an attack by the revolutionary forces.

Let us remember that he said this after 3 years of a state of emergency, 3 years of deaths and detentions and, even so, they believe--and I think they are right--that they face an intensification of the rebellion. Clearly, the kinds of activities that people have witnessed on television for the last 2 years, of youths hurling rocks at tanks, that type of activity, will not be the right answer for much longer. This is a very important phase. The people are learning to create forms of organization--despite the wall of silence imposed by the enemy on all the mass media--which in all directions will soon destroy the racist regime. This is not false optimism; it is based on an understanding of the enemy, of its inability to continue to govern the people in the old way. One of the most significant aspects of this old television image that we are trying to discuss is the growth of the black union movement; 10 years ago, only 10 percent of the workers were organized and today the figure has reached 67 percent. In recent times, we have witnessed the growth of the COSATO (Confederation of Black Unions) from 500,000 to 800,000 members. The most significant successes were the strikes of the mine workers, in which we saw the ability of the union movement to mobilize the workers, and not just for economic

grievances. If we want proof of this, we can go back to the last elections for whites only in South Africa. The reports that dominated the international media were not the elections, but the largest political strike on record in our history. For 2 days, 2.5 million people--1.5 million workers and 1 million students--struck the entire country during the election period. Another important development which cannot be underestimated is that, despite the offensive against the students and against the youth, we recently saw the creation of a new (semi-clandestine) youth organization, the SAYCO, on a national scale. The people are learning new ways; they are finding new answers to the repression in the land. But these actions are not just actions by the armed branch of the liberation movement; the people themselves are demonstrating a kind of revolutionary creativity which, at long range, will become an absolutely uncontrollable force.

Question: Why did you leave the leadership of the Umkhonto We Sizwe?

Answer: This is not the best way to put the question. I was elected secretary general of the SACP. It is not customary for the leader of the Communist Party or other organization to be a member of the military arm, under the military command of superior officers. So this is quite normal. In any event, the task we face in South Africa is essentially political, not military. The military struggle is a very important part of the political struggle, but our struggle is a political struggle, which includes revolutionary violence; thus, our principal task, both as the Communist Party and as the Liberation Movement, is the political mobilization of the people and, since I was elected secretary general, I must concentrate on this task. Clearly, I continue to be a member of the Military Council, which is the highest organ at the military level, and I am engaged and will continue to be engaged in giving all aid and support, based on my 25 years of experience in the Umkhonto We Sizwe, in the pursuit of the armed struggle, which I consider one of the indispensable weapons at our disposal. I think it should be remembered that my departure from the ANC was at the request of the Communist Party that I be relieved. This is not the only time, it has happened before. My predecessor as secretary general was Comrade Moses Mabhida. When he was elected secretary general of our party, he was also, at that time, secretary of the ANC Revolutionary Council, and he left it for exactly the same reasons. The request that he leave was made by our party, because he should be relieved of other responsibilities to concentrate on party work. There has never been a period in our history when it was as necessary as it is now to concentrate on the work of the party. If you have been following events in South Africa, you have not only noted the participation of the working class in the liberation struggle, but also that our party has been accepted as an essential partner in the liberation front, as an independent political organization whose goal is not only a democratic revolution or immediate freedom, but also to ensure that South Africa also achieves emancipation, the end of exploitation of men by men. Certainly, the immediate goals are clear and, in pursuit of these goals, we continue to be one of the pillars of the liberation alliance. My departure from the previous position in no way diminishes my role. My contribution, the contribution of my party in the struggle against the "apartheid regime" will continue at both the political and military levels.

**Question:** In this phase of the struggle, then, is it strictly necessary to have these two forces, the ANC and the Communist Party?

**Answer:** I think it is extremely important to continue to have both of them because, as I indicated, the immediate struggle facing us is a struggle for a democratic revolution, to achieve a non-racial democracy in South Africa. This is a struggle that benefits the working class, perhaps more than the other classes. Nonetheless, the forces which we must mobilize to achieve victory and a democratic revolution do not come from the working class alone. They come from all segments of the oppressed black population. In other words, the forces that must be mobilized are from all classes and the ANC is not an organization of workers, although the workers play a dominant role, even within the ACC. But the ANC does not have a Marxist-Leninist ideology; it does not demand representation for just one class. It is a multi-class organization and should remain so. At the same time, in this alliance, not only of the ANC but in the country as a whole, it is necessary to have an organization which specifically represents the historical aspirations of one class: the working people.

The existence of the two organizations does not imply any conflict with regard to the immediate prospects in this struggle, but they are both necessary to maintain the position of the working people in this phase of the struggle and to ensure that, when victory comes, when the ANC banner flies over Pretoria (which we believe will happen in the very near future), the fruits of the sacrifice of the people will not be expropriated by exploiters with black skins. We must make sure that, when victory comes, the forces being trained now, the socialist awareness which is now spreading (even though our immediate struggle is not for a socialist state), will be an important part of the alliance which has won the power, with a well organized working class at the highest political levels, which will ensure the move to the next phase of the liberation. Under the circumstances in South Africa, liberation does not consist simply in marking a cross on a piece of paper every 5 years. It consists in the need to redistribute the wealth and to return it to the people, because part of the national domination lies in the fact that 99 percent of the wealth is controlled by the dominant racial group in the country. So there is no doubt that, at long range, if the struggle for national liberation is to be complete, in the true historical sense of the term, South Africa must move to eliminate the exploitation of men by men. It is necessary to plant the seeds for that phase now, because, otherwise, there will be nothing to harvest in the future.

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CSO: 3442/211

MOZAMBIQUE

VIABILITY OF UMBELUZI DEVELOPMENT PROJECTS STUDIED

Maputo DOMINGO in Portuguese 31 May 87 p 3

[Article by Ezequiel Mavota]

[Text] The economic and financial viability studies on the irrigation project for the Umbeluzi Valley should be completed in July. This project represents one of the most important ways of making use for agricultural purposes of the approximately 16,000 hectares made available by the recent completion of the Pequenos Libombos Dam. Plans call for building and rehabilitating irrigation systems over 2,500 hectares located on both banks of the Umbeluzi River.

The project, which according to plan will be carried out over 15 years, beginning in 1988, will also involve the introduction of new irrigation systems on about 1,500 hectares, and the rehabilitation of others already existing in the region and serving an area of about 1,000 hectares.

In all, the Umbeluzi Valley irrigation project will include four subprojects. One will basically involve the rehabilitation of citrus-fruit production, thus benefiting the State Citrus Fruit Enterprise and the 25 September Estate. With improved irrigation systems, it will be possible in some cases to double the present production of the orchards. This measure will necessarily have to be accompanied by a program to rejuvenate and improve the orchards themselves.

At present, the area planted to citrus crops in the Umbeluzi Valley is about 800 hectares, and "In the past, building new systems has been impossible because of the irregular flow of the river itself. Now, with the dam, it is possible," Jose Carreira, of the Economics Department of the Secretariat of State for Farm Water Resources, said.

Another subproject has to do with family production, and is designed to provide this sector with access to irrigated land.

This subproject will provide each family with at least half a hectare of irrigated land, thus enabling individuals--not only those who have always lived in the region, but also those who have settled there in recent years--to produce for self-consumption and for the farm marketing circuits. "There are about 12 blocks designated for the family sector. The total is about 600 hectares, of which a third will be fully irrigated," our source informed us.

In the opinion of Jose Carreira, this will not only directly provide new jobs but will also increase production for the market.

The third subproject will benefit large enterprises such as TUDOR, ANACLETO and BOM PASTOR, which will have new irrigation systems built within the framework of the Umbeluzi Valley project.

There is also a fourth component, involving the provision of improved pasture land for livestock breeding, thus greatly benefiting the Maputo Milk and Dairy Products Enterprise, which will be able to achieve high milk production indices. It is believed that with the improvement of the pasture land, the present average of 1,400 liters of milk per animal per year can be increased to 4,000 liters. "The main factor contributing to this will be improved rations, basically, and adaptation of the management systems, the composition of the herds themselves, and the introduction of new species." It is not a question here of increasing the existing number of animals, but improving the yield per head and, in the second or third year of the project, introducing crossbreeding with a view to improving the quality of the animals.

It is known that there are 900 head of livestock belonging to the Milk and Dairy Products Enterprise in the Umbeluzi Valley. This number will be greater if the fact that there are also small and average producers in the zone is taken into account. In terms of area, the planned increases involve about 100 hectares, because the basic assumption for this project is that "Currently, the cattle are not being properly nourished because the rations are not of the best quality."

Our interlocutor believes that the goal is realistic, rather than very ambitious, because there is assurance that the water needed for the entire system is available, provided that the rules are observed in terms of irrigation methods and schedules. "This is a matter of discipline and organization of the system itself. But it is not a basic concern in terms of saying that water is lacking."

The irrigation system in the Umbeluzi Valley was designed on the basis of the water which will be available in the very near future from the Pequenos Libombos Dam reservoir. According to Jose Carreira, this is one of the things which will make the investment in the dam itself profitable, because if a water supply for the city is a desirable end, it is also necessary to find other responses to provide the needed capacity for the development of projects in the agricultural sector.

While it is true that the project has value if analyzed as a whole, it is also true that the integration of the family sector merits special attention.

In fact, due to the war and the drought, some of the population in the southern part of the country has moved to the Umbeluzi region in search of fertile land where subsistence farming is safe.

Recent figures show that six settlements which did not exist at the beginning of the 1980s, three of them with more than 2,000 inhabitants, have developed in the Umbeluzi Valley.

In view of this situation, the project technicians believe that with the increase in food production and the creation of new jobs, the implementation of the project should be based on this manpower. Although some problems may exist at this time in connection with the treatment of this population, "This is the concern of not only the Secretariat of State for Farm Water Resources, but also other bodies involved in the matter. We plan to contribute, through the implementation of this project, to creating jobs and improving the conditions of life, making it possible for these people to continue to live here."

Currently, the project is in the economic and financial analysis phase, taking into account the maximization of export income and the increase in food production and the number of jobs.

The study of this project began last year, and currently the estimated cost is about \$30 million. This investment will be made by the government of our country. Although talks will begin as of July with a view to obtaining more than 70 percent of the financing abroad, it is believed that the project could move forward even before all of the financing has been obtained.

The economic and financial analysis which is under way indicates, moreover, that this project is advantageous and that the investment can be recovered in only 5 years.

This project is just a part of the programs being implemented with a view to developing the area made available for farm projects by the Pequenos Libombos Dam. As is known, construction work on a pumping station which will make it possible to irrigate another portion of the Upper Umbeluzi is under way.

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MOZAMBIQUE

CREL PROMOTES LOCAL FARM-MACHINERY PRODUCTION

Maputo DOMINGO in Portuguese 7 Jun 87 pp 8-9

[Article by Albano Naroromele]

[Text] Nwachicolane, which is the location of the headquarters of the Limpopo Irrigation Construction (CREL) enterprise in Chokwe, gives a visitor an impression of nothing but desolation, with its infinite stretches of giant machines aging prematurely, with the erosion of time and idleness, and the human beings made taciturn by the dead environment surrounding them. The only life in this locality with a real pulse is on the farm somewhere up ahead, where some of the mechanical monsters are in operation, hesitating to damage the land so much in the search for the generous contribution it can make to the starving bellies of the country.

The driver of one of the CREL trucks, who had detoured that day to move a little pile of rubble behind one of the reed huts (for the workers), must have been giving thanks to all of the gods he recognized. This was, reportedly, shortly after Eng Soto Delaporte, "a man as harsh as the PRE on the enterprise," as the other workers told the driver sympathetically, had passed through the area.

It is natural that the engineer, who is a Chilean advisor to the CREL, should be aware of the significance of using a truck to move this rubble during production time. Moreover, he was rather picky in his lengthy reprimand (Soto Delaporte, speaking out the window of his moving vehicle to the fearful driver, promised punishment). But we were in a hurry to see the machines--bulldozers, graders, backhoes, dredgers, and other mechanical "monsters"--carrying out their various tasks.

Subsequently, as we approached the farmland being prepared, all of the other comments about the incident of the driver who needs to change his thinking in order to match the rhythm of the PRE were gradually drowned out by the majestic rumble of the huge engines.

We even ceased to think about the truck and the pile of rubble as the first clouds of dust brought the harshness of the earth to us through the windows of the vehicle (rain had been needed for several weeks), as a result of the merciless blows being inflicted by the bulldozers of various sizes.

Shortly afterward, Eng Soto Delaporte's white Land Cruiser disappeared helplessly in the dense dust. Also concealed by this same cloud, which resembled smoke from a fire in the entrails of the earth or from a fire set on the surface--the dust had the color of the soil and subsoil, obviously fertile--some of the mechanical monsters were squeaking furiously back and forth, seeking a generous contribution from the earth for the hungry bellies of the country.

But the dust could not conceal the parts of a backhoe, forcefully opening up a long, narrow ditch, which had been created by the hands of the CREL workers. Farther on, a bulldozer with its shovel loaded was taking earth from certain areas and dumping it in others.

There is often a veritable demonstration of solidarity among the "monsters." If one machine cannot move the earth by itself, it is joined by another, and the two together deal with the problem without further delay.

Those who are knowledgeable about the matter say that there are only two of the proud "supermonsters" which need no help at all in the entire People's Republic of Mozambique. They are the Model 355 bulldozers. One is there in Nwachicoloane and the other is in Nampula.

The purchase price for these machines is simply fabulous. All that is needed is calm consideration of the operational costs--not the purchase price--of a 155 bulldozer, for example (which does not even begin to compare with the 355 supermonster). These machines drain off more than 54,068,000 MT every year, or about 43,500.99 per hour, according to Eng Soto Delaporte.

There are other "monsters" on this farmland in preparation, which will later be turned over to the Chokwe farm enterprise for operation. There are other machines, because the work there involves not only digging ditches or shoveling up and dumping earth. This would be nothing but earth moving.

However, this author saw nothing of this sort. Even the language of the "monsters" in full operation is something which cannot be described by ignorant people on the level of this writer. The workers, the operators of these monster machines in particular, understand this and much more.

The operator of the backhoe, for example, assigned no importance to our presence relatively close to him. He appeared to be a part of his monster, which he commanded with authority. Another driver on a bulldozer was even whistling. No one, not even he himself, could have said how he could distinguish the melody he was whistling from the roaring of the machine.

At a certain point, during a brief break allowed because of our visit, a grader operator expressed indignation about the situation in the still recent past at the CREL. He said that if we had visited the enterprise in April of 1978, or even in 1984 and 1985, we would not even be able to make a comparison now. "Everything was damaged, because they forced us to work in fields full of water, day and night, pulling harrows. The result was that the belts on our machines were damaged, because they were not designed to pull plows, but for heavy grading and clearing instead."

Who would be better qualified than he to talk about the "monsters" and earth moving? And with a justified measure of pride, now, because almost all of the machines in operation were repaired this year by local Mozambican technicians. Prior to the PRE, these individuals hibernated in offices, spending their time debating the work to be done with some incompetent bureaucrat.

We are, then, justified in speaking about the final results, the things which everyone can see, with or without any knowledge of earth-moving work. After all, the operators of the monsters and their colleagues who build road structures have produced a flat area divided into lots, each equipped with a main canal to supply water.

The water is led by secondary and tertiary canals to the irrigated fields, and is drawn off, if there is more than is needed, via drainage ditches. The mechanical monsters, whose work is also supported by rigorous topographic surveys, have foreseen all of the needs and disadvantages of the farm in considerable detail. As a result the primary, secondary and tertiary canals are located at a higher level than the fields, while the drainage ditches are at a lower level. Thus the water runs to the plots without problems and drains away quickly when it is not wanted.

However, understanding the language of a mechanical monster does not mean being a machine. Unfortunately, regrettable vestiges of an enterprise which even less than a year ago faced a series of organizational crises can still be seen in Nwachicoloane. The operators work without masks in all that dust, which poses a daily threat to their health.

Until last month, there was nothing to minimize the effects of this very poisonous dust on their bodies, other than the liter of yogurt per day provided to each one. Generally speaking, the CREL workers do not complain of a shortage of food. Each is entitled to purchase 60 kgs of rice, as well as another 25 kgs the unhulled variety, and there is no shortage of goat meat or beef there.

But this enterprise will still have to work very hard in order to implement the vast project, which is under way in some sectors, designed to provide a better relationship between production and the social life of the worker. Recreation, leisure time, environmental improvement in the headquarters locality, the planting of trees in order to get rid of the mosquitoes and to provide shade and beautify the locality--these are some of the projects planned by the CREL. The fact is that none of these monsters can operate without men, and men are not machines.

5157  
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SOUTH AFRICA'S POLICY TOWARD WINDHOEK SEEN AS 'FLAWED'

Johannesburg THE SUNDAY TIMES in English 5 Jul 87 p 19

[Article by Andre du Pisani, research director, The South African Institute of International Affairs]

[Text]

THE South African Government uncompromisingly demands the protection of minority rights in any future political system for Namibia and insists upon broadening the base of the present Transitional Government of National Unity (TGNU).

That does not mean, however, that such policies and ideological precepts are necessarily in the interests of Namibians, or in South Africa's own medium and longer-term regional interests.

The doctrine of group "essentialism" (a belief that individuals must exercise their political and social lives through the race group to which they belong), so prevalent within National Party thinking in Namibia and South Africa, is flawed in several respects.

The apparent agreement reached on the question of the protection of minority rights has merely postponed the crisis for another three months.

The bureaucratic arrogance with which a vindictive South African Government has made its dictates known is likely to undermine any potentially effective impact of the new Namibian constitution.

For all the limitations associated with the TGNU — and these are considerable — the proposed constitution itself contains many innovative and positive features.

□ □ □

Clearly, the dismissive assertion on the part of the

South African Government as well as the National and Rehoboth Free Democratic Parties (RFDP), that inadequate safeguards are made for the protection of group or minority rights and interests, is unfounded.

Significantly, similar objections were raised earlier in the Turnballe Constitutional Conference (1975-1977) and, more recently, in the KwaZulu-Natal Indaba.

This is indicative of the "reform from above" mode virtually insisted upon by the South African Government, in terms of which it passionately desires to control and engineer processes of socio-political transformation.

South Africa's reported fiscal cut of R200-million in its allocation to the Namibian treasury, although understandable in economic terms, does not make political sense, for it is bound to aggravate the already considerable financial vulnerability of the TGNU and effects its political legitimacy.

Both Mr Peter Kalangula and Mr Justus Gaoeb, candidates for co-option to the TGNU, would commit political suicide if they were to join, given these circumstances and extraneously dictated conditions.

Thus, there is a real possibility that South Africa may end up with a weaker and even more fractious TGNU. Surely, this cannot be in South Africa's own national or regional interests?

The painful reality re-

mains — South Africa cannot unilaterally bestow legitimacy upon a successor government in Windhoek. History and international legal developments militate against it, and in this respect South Africa has lost control over the transition process.

□ □ □

The most desirable option from a South African viewpoint would be to allow all Namibians to engage in a process of open bargaining about the rules of their future political order.

The mechanism to achieve this already exists in the form of internationally-validated agreements that amplified and strengthened Security Council Resolution 435 (1978).

It is a matter of profound sadness that Namibians have become the victims of the politics of postponement because the rulers of South Africa find themselves in a moral and political malaise back home.

Namibians, on their part, should realise that the right to say no is a fundamental tenet of democracy. Perhaps the time is long overdue for them to start exercising this right on a more regular basis.

South Africa's behaviour in Namibia does not augur well for the resolution of a much more complex and profound problem within South Africa itself.

Perhaps, that is the real tragedy: that we do not seem to learn from history, but through history ...

MINORITY RIGHTS SAID TO REMAIN KEY ISSUE

Windhoek THE WINDHOEK ADVERTISER in English 22 Jun 87 p 1

[Article by Jean Sutherland]

[Text]

**THE KEY ISSUE of minority rights remains unresolved, while no step will be taken in Namibia that could jeopardise South Africa's international interests.**

This was the message spelled out at a full Cabinet press briefing today following Friday's gruelling day-long talks between a top level South African delegation and the Transitional Government Cabinet.

The point made by various Cabinet Ministers today was that Pretoria's insistence on minority rights in a draft constitution was seen merely as an area of departure for future negotiations at this stage.

The Cabinet still had to resolve its own differences on what minority rights means, and what the best way of protecting them is, Agriculture Minister Jannie de Wet, who chaired today's briefing, said.

Other points made at the press conference included: that the Constitutional Council would proceed with its work, but would dissolve ahead of schedule; some sort of round

table talks between the TG and other groups could not be ruled out; and, the government would push ahead with instituting changes of a constitutional nature.

Asked to elaborate on what sort of changes, Health and Labour Minister Mose Katjiuongua replied generally saying: "On the absence of a constitution...we are going to abolish all remnants of discrimination to ensure that the actions of the security forces in northern Namibia are restrained and balanced in order to increase respect for the duty of the forces."

He added that they would try to strike a balance between black aspirations and the fears over security, "etc", of the whites.

On South Africa's controversial slashing of R200m off Namibia's budget alloca-

tion, Finance Minister Dirk Mudge said there was no reason to panic, and assured the Namibians it would not involve them in any "unnecessary sacrifice".

He echoed SA Foreign Minister Pik Botha's statement on Friday that the cut was not a blackmail measure, but had been done purely in terms of South African interests.

Describing it as a serious setback, Mudge also said there would be no unnecessary disruption of the economy, but warned that in future, Namibians would have to accept more responsibilities.

This had to be accepted "if we want to move towards independence".

"We will have to become less dependent on other countries, including South Africa," he emphasized.

An open invitation to "all other parties" or individuals to submit constitutions was made by De Wet.

He said, however, that no concrete approach to anyone would be made.

## U.S. GOVERNMENT SEEN AS FAVORING ANC

Pretoria DIE AFRIKANER in Afrikaans 10 Jun 87 p 3

[Text] The U.S. government's position towards South Africa is hardening noticeably and tipping significantly in the direction of the ANC.

This is the conclusion drawn by rightist political observers after last week's boycott of Republic Day by the U.S. government.

The U.S. government instructed its diplomatic representatives across the world to boycott Republic Day in protest against the recent attack on ANC members in the Mozambican capital of Maputo.

The government has denied that it was responsible for the attack and has asked the U.S. government for proof supporting its charge. However, the United States maintains that South Africa carried out the attack. According to newspaper reports, a spokesman for the U.S. State Department said that his government has information indicating that South Africa is the guilty party.

The U.S. government has also recently been more public in expressing its position in favor of negotiation between the South African government and Black leaders. These leaders have not yet been mentioned by name, but there is no doubt among political observers that pressure will soon begin to build for the release of ANC leader Nelson Mandela.

Not one of the 45 U.S. officials invited to the Republic Day celebration at the South African embassy in Washington showed up. This American boycott of Republic Day is regarded as an unusually strong gesture of protest. Normally after incidents such as the most recent one in Maputo, a statement condemning violence is simply sent.

Rightist political observers see the most recent American action as part of a hardening within the Reagan Administration towards South Africa. The first signs of this were already evident around the middle of last year when feelers were for the first time sent out towards the ANC. This change in policy resulted in the meeting earlier this year between U.S. Secretary of State George Schultz and the president of the ANC, Oliver Tambo.

That meeting was particularly significant in view of the fact that for the first time the ANC was recognized by the Reagan Administration as a power factor in South Africa. The U.S. government went ahead with the meeting despite its repeated adoption of a position against terrorism. Apparently it regards the ANC as being so important that it is prepared to open itself up to charges of applying a double standard with respect to terrorist organizations.

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CSO: 3401/101

## HISTORICAL DEVELOPMENT OF AFRIKANER DISSENSION OUTLINED

Pretoria DIE AFRIKANER in Afrikaans 10 Jun 87 p 8

[Text] The current dissension among Afrikaners is part of a process that took root long ago and was also recklessly promoted by some Afrikaners. In addition, it appears that the dissension that is now rampant will become deeper through the establishment of a new Afrikaans church. In this article, the idea is advanced that discord among Afrikaners is inevitable because some Afrikaners are disloyal to the Afrikaner's ideal of freedom.

Only utterly unforeseen events can still avert a split in the Dutch Reformed Church. Preliminary information on the positions of the Continuation Committee of the Objecting Members indicates fundamental differences with the Dutch Reformed Church leadership and the genuine need to establish a new church exclusively for Whites.

Establishing such a church will confirm the existence of the deepest dissension among Afrikaners ever. A new church will extend the divisions among Afrikaners in the political and cultural areas into the religious sphere, something that has long been predicted by informed observers. Although Afrikaners have been very divided in the past (such as during the 1940s), the current level of dissension is clearly more profound than ever before; this is the reason for the threat of a split in the church.

People who closely watch trends in the life of the Afrikaner nation have been predicting the current deep dissension for some time. The omens have been obvious since the late 1970s for those who have gone to the trouble of paying attention to them. A later editor of two NP newspapers, Dr Willem de Klerk, divided Afrikaners into the "enlightened" and "narrow-minded" groups as early as in 1968. This labelling was chosen by De Klerk to serve his own political positions; it could have just as easily been "hands-uppers" and "upholders" (or something similar). The fact was that Afrikaners were looking at the life and the future of the country in very different ways, and that those differences were in the process of gradually erupting at the surface.

However, dissension in the Afrikaner ranks was fomented by the actions of the NP leadership at the end of the 1960s. When some NP members of parliament began to object to a change in NP policy on sports, a witch hunt was gradually begun against these members of parliament, which eventually ended in a

reckless expulsion campaign. The then-leader of the Transvaal NP, Mr Ben Schoeman, played a leading role in this. History has yet to pronounce judgement on Mr Schoeman, but even now it can be safely said that he displayed a lack of vision, which is a glaring fault for someone in his position.

The same is of course true of the prime minister at the time, Mr John Vorster, who at an open gathering in Heilbron in 1968 defiantly challenged dissatisfied members of parliament to found a new party "before they lose their chance." The irresponsibility of this statement speaks for itself.

Action taken by the NP concerning the founding of the HNP in 1969 is important because the mentality revealed at that time has been repeated again and again. This was a mentality of intolerance towards fellow Afrikaners, a total disregard for the importance of Afrikaner unity and an unwillingness to recognize that tested and true principles had been departed from--an attitude that in fact comes down to political deception of the electorate. This intolerance towards Afrikaners with a different viewpoint often turned into a brutality that left deep and irreparable wounds.

This mentality by the NP and the NP establishment was more or less repeated in the expulsion of HNP members from the Broederbond in 1972, the event that provoked the founding of the CP in 1982 and the expulsion of right-wingers from the FAK [Federation of Afrikaans Cultural Society] in 1984.

The recklessness with which the NP leadership acted in all these cases can only be explained by assuming that the rightist insurrection was underestimated. NP leaders descended upon the later HNP leaders in 1969 with reckless venom because they were convinced that it was possible to destroy the right-wing opposition. NP leaders clearly did not think that they would ever have to bear historical responsibility for their actions; they clearly saw this as a phenomenon that would quickly disappear into oblivion.

The NP leadership was seemingly proven right. The HNP did poorly in the 1970 election. It was because of this that it was possible for HNP members to be expelled in 1972 from the Afrikaner Broederbond. The manner in which leading figures in the HNP were chased out of the Broederbond confirmed that NP leaders were convinced that Afrikaner unity would continue undamaged after the "peeling off" of the HNP. The NP consequently depicted the motives of HNP leaders as being suspect (frustration, embitterment, etc.), failing to recognize that they had genuine differences with the party leadership.

It is quite obvious that the NP leadership did not realize that the HNP constituted the vanguard for a revolt against the reshaping of the life of the Afrikaner nation. Had they realized that the HNP was merely the precursor of greater opposition that would follow, the NP leadership probably would have acted much more responsibly. There is no doubt that they must take the blame for the dissension among Afrikaners that was firmly established even then.

It is remarkable that during the 1970s, the NP rarely--if ever--warned of dissension among Afrikaners. Difficulties in this regard were only aired after the rightist opposition began to achieve gale force and to threaten the NP's position. Since then, serious warnings against Afrikaner dissension are

often heard from the same people who had nothing to say when that dissension was taking root! For some of these protectors of Afrikaner national unity, it is more a question of the NP's position of power than of solidarity among Afrikaners!

The split in the NP in 1982 was not accompanied by the same recklessness on the part of the NP because the signs were already clear: The HNP was not an isolated phenomenon. It was then clear that a growing number of Afrikaners were not willing to put up with the NP's course.

However, the same irresponsible recklessness did emerge with the split in the cultural sphere in 1984. After the founding of the Afrikaner Volkswag, a reprehensible campaign was waged to remove the leader of the Volkswag, Prof Carel Boshoff, from his post as teacher at the University of Pretoria. This campaign, which was primarily instigated by a Transvaal NP newspaper, BEELD, was evidence of an intolerance that alienated level-headed Afrikaners. Only strong support for Professor Boshoff from teachers and students kept him from being removed from his post.

This same intolerance emerged again in July of that year during the FAK congress in East London. On that occasion, the NP made a massive organizing effort to get several rightists--including Professor Boshoff--off of the board of directors of that organization. Fictitious organizations were even formed to send delegates to East London in order to get rid of the rightist board members. The result was that the FAK that year held one of its biggest congresses ever! Just as in 1969, 1972 and 1982, there was apparently no concern about Afrikaner unity among the leadership; rather, they acted as if they were under orders to totally destroy unity.

The group within the Dutch Reformed Church taking the church in a leftist direction would see to it that Afrikaner dissension in the political and cultural domains extends to the religious sphere as well. This group has existed since the 1960s, but did not come solidly to the fore until the General Synod of 1984, when minority reports were presented on matters such as the Mixed Marriages Act and Article 16 of the Immorality Act. The victories achieved by leftists at last year's Synod pushed the church fundamentally to the left and created the preconditions for a split.

Behind the splits in the political, cultural and religious spheres is a group of Afrikaners who with almost fanatical dedication is working on making Afrikaners part of a multiracial societal structure. They have singled out the traditional Afrikaner organizations, such as the NP, the Broederbond and the FAK, and the Dutch Reformed Church, to give shape to their vision of the future. In retrospect, it can be said that these leftist (enlightened) Afrikaners were extremely smart not to declare war on these organizations from an outside position. They probably would have lost that battle. Through clever tactics and strategy, they succeeded in driving out the Afrikaner nationalists who were most faithful to the principles of these organizations. In the process, they gained the support of numerous unsuspecting and naive leaders who joined in the expulsion campaigns or looked on passively. Many of



them would only much later be shocked to realize that these expulsions constituted the necessary precondition for the total reshaping of the organizations in question.

With a split in the church obviously inevitable, it appears that dissension among Afrikaners is incurable in the short and medium term. This dissension is also of a more serious nature than ever before because the basic question of the political freedom of Whites is at stake. The leftist group that has taken control of the NP, the Broederbond and other organizations is striving towards a system of power-sharing with Blacks in which the Afrikaner's political freedom will be sacrificed. This is all too obvious from the Broederbond's position, which provides for a future South Africa with a Black state president. This same vision of the future is held by the minister of foreign affairs, Mr Pik Botha, and numerous other important figures in the NP establishment.

Afrikaner nationalists cannot live in peace with such gross disloyalty to the Afrikaner and his history. This is why numerous dedicated Afrikaner nationalists have resolved to destroy certain organizations rather than to try to restore Afrikaner unity. They have decided in favor of temporary dissension, with hope for life instead of unity in death.

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CSO: 3401/101

**NP JOHANNESBURG CITY COUNCIL REJECTS USE OF TWO LANGUAGES**

Pretoria DIE AFRIKANER in Afrikaans 10 Jun 87 p 16

[Text] The action by the NP-controlled Johannesburg city council to repeal a Transvaal Provincial Ordinance that protects Afrikaans language rights has elicited widespread reaction.

Both the Afrikaner Volkswag and the SA Academy for Arts and Science reacted sharply.

According to a statement by the city council, its administrative committee, which is entirely controlled by the National Party, resolved to use the Transvaal Municipal Association to request the repeal of a 1958 language ordinance that stipulates that persons who are employed by a municipality must have thorough knowledge of both of the national languages.

The statement continues: "Repeal of the ordinance is requested in view of the policy giving power to local authorities, as well as the fact that the city council has its own language policy."

Among the other reasons mentioned by the city council is that the ordinance in question allegedly discriminates against Whites since Non-Whites are not subject to language regulations.

Four years ago, however, the Provincial Administration contemplated making the language equality ordinance applicable to all population groups. At that time, it was in fact the Johannesburg city council that objected to that move. The attitude in rightist circles is that the council thus cannot complain now about "discrimination" that is taking place at its own request.

The practice of the Johannesburg city council [text missing] the language equality ordinance must be applied to contract workers as well.

A spokesman for the SA Academy for Arts and Science called the action by the Johannesburg administrative committee "disturbing" and said that the Academy will consider what steps should be taken.

According to the Volkswag, the attempt by the Johannesburg city council to have the bilingual ordinance repealed by the Transvaal Provincial

Administration is an injustice for the Afrikaner and a humiliation. It is a blatant assault on the bilingual clause in the South African constitution.

The action by the Johannesburg city council must be regarded as an attack on the Afrikaner's rights that should be outlawed, the Volkswag said. It is also an indication of the hate for Afrikaners felt by a certain type of English-speaker. This will lead to serious confusion of relations and portends nothing good for the future.

The Afrikaner is tired of continually having to fight for what is rightfully his and which he does not have to get through the kindness of others. He played an enormous role in opening up this country for Christianity and civilization and still bears the daily burden of ensuring its stability. The least that he can expect is that his rights will be respected, the Volkswag said.

"The Johannesburg city council must realize that it cannot isolate Johannesburg from the rest of the country. One can only wonder what the reaction would be if Pretoria or other cities where Afrikaners are in a majority were to do the same thing with English," the statement continued. The Afrikaner Volkswag made a serious appeal to the authorities to see to it that these issues not reignite among Whites in this country.

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**ASPECTS, CONSEQUENCES OF SCHOOL INTEGRATION DESCRIBED**

Pretoria DIE AFRIKANER in Afrikaans 10 Jun 87 pp 9, 13

[Excerpt from book "Open Schools: Are We Going to Allow This?" by Prof J.J. Pienaar, Dr J.L. Basson and Frikkie Strauss: "Open Schools: A Dagger in the Heart"; first three paragraphs are introduction]

[Text] The 10,000 Non-Whites who in recent years have moved into White residential areas have increased the pressure for opening up White schools. Large numbers of Non-White children are already being taught in private schools that were previously White. South Africa is slowly but surely following the example of South-West Africa, where state schools are now beginning to open up.

In an influential recently-published book, "Oop Skole: Gaan Ons dit Toelaat?" [Open Schools: Are We Going to Allow This?], the undesirability of multiracial schools is skillfully analyzed. The authors are Prof J.J. Pienaar, a noted professor of pedagogy at the University of Port Elizabeth, Dr J.L. Basson, a historian from Pretoria, and Mr Frikkie Strauss, a prominent figure in political and cultural circles in South-West Africa.

The following article is one chapter in the book, entitled "Open Schools: A Dagger in the Heart."

**The Christian-National Character of Our Education Under Fire**

The CNE [Christian-National Education] character of our education, which is well-known to all and has been shaped and welded into the Afrikaner's educational system over many years, the melting-pot years, has now suddenly begun to encounter adversity. So-called academic scholars and even pedagogues feel that this approach to education is too narrow and contend, among other things, that the concept "Christian" should be replaced by "religious."

The term "religious" as a replacement for "Christian" is unacceptable to Christians because someone who worships, say, the sun or a tree is also a religious person. According to this new approach, Christians have no right to impose their Christian views on others. According to the liberals, it is for

this reason that the idea of Christian-National Education is offensive; it is too prescriptive and indoctrinating in nature. In their view, the CNE Act, specifically Act No. 39 of 1967, should be revised.

Equal rights should be given to all religious convictions, regardless of the nature of those religious convictions.

In this subtle manner, distinctive views of life and religious convictions are systematically placed on an equal footing and levelled out, because there is a certain equalizing effect inherent in the well-known and much-discussed expression, "regardless of race, color, religion or sex." Today, doing homage to avowed and particularistic Christian-Calvinist convictions means being offensive. As a consequence, movement is increasingly being made in the direction of the general, the vague, the neutral, the colorless, the Christ-less.

In this way, the Afrikaner is confused and undermined from within. This ideal of a broad, non-committal, humanistically-tinted religiousness is intended to confuse and divide the Afrikaner. His Christian convictions and attitudes must be questioned so that he will increasingly regard his Christianity as unimportant and negotiable. The Afrikaner must be cured of an existence in which he is aware of his identity, and seduced more and more towards the existence of the man of the masses, the man of the hordes, the secularized man, the holistic man, because the man who is aware of his identity is dismissed as being antiquated, dumb, backward and out of fashion. Christian-National Education is thus unacceptable since it is too narrow, too particularistic and always offensive.

#### Instruction in the Mother Language

Since the earliest awareness by the Afrikaner of his own, self-supporting existence as a nation of people, he has placed a high premium on education in his mother language in the schools. He quickly realized that this is an absolute prerequisite for the continued preservation of his own particular national identity. This is why instruction in the mother language is the one thing for which Afrikaners in the past have been willing to make their greatest sacrifices. On the other hand, it is also a fact that instruction in the mother language will be one of the first victims of mixed schools. What will be the language of instruction in a classroom in which there are Afrikaner, English, German, Herero, Owambo, Zulu, Xhosa and Sotho children? It will certainly not be Afrikaans. A language with the greatest value from the point of view of usefulness will be sought, and it is obvious that this will be English. In South-West Africa, there is already strong pressure that English be recognized as the only official language.

The effect of the removal of Afrikaans and its replacement by English as the medium of instruction in our schools will be devastating to the soul of the Afrikaner child. The use of English will create for him a strange, cold and hostile school atmosphere in which he will feel unhappy and ill at ease. The division that will develop at an early age between home and school will undermine the child's language capabilities and ability to express himself, whereby his capacity for self-assertion will be seriously affected.

Naturally, there is scarcely any question of cultivation of love and respect for his own language in an English-speaking school. By using English school books, the Afrikaner child will be drawn in to a liberal-oriented English-speaking world, through which he will ultimately become alienated from his people and his family. In short, the removal of Afrikaans as a medium of instruction from our schools is a shortcut to the total disintegration of the Afrikaner nation.

#### General Lowering of Standards

Besides the lowering of the level of instruction that will be caused by a foreign language medium, there is also no doubt that the general standards of the White school will by necessity drop. This will be caused by the lower level of intelligence of Non-White children compared to that of White children. This phenomenon has been manifested throughout the world whenever Non-White children were accepted into White schools; the cabinet minister in charge of this area in South-West Africa has even acknowledged this. However, he makes the mistake of contending that this will only be temporary in nature, even though if the White schools had to mark time for only one year in order to get the "newcomers" up to standards there would still be a lowering of standards that could not be worked off for years. Achieving and maintaining standards demands years of hard work. New developments in many areas necessitate continual adjustments in standards.

No nation of people can afford to lower its educational standards, even temporarily. It could find that its qualifications do not enjoy the recognition in neighboring states or other parts of the world that it desires.

We could discover that we can no longer keep up in an ever-changing world because we thought that the lowering of standards was only temporary or that it would not result in far-reaching implications.

#### Teachers

If the schools are completely opened up to Non-White students, it is illogical to expect that teachers will continue to be segregated. Black and Colored teachers will be hired by traditionally White schools. Some of them could eventually advance to positions as department chairmen and principals in these schools. This would mean that our children would receive their education from teachers from a totally foreign religious, social and cultural background, teachers who can have no understanding of the sentiments, ideals, principles and values of our people. The possibility that situations could arise in which Black teachers display open hostility towards White children, coupled with discrimination and prejudice, is not far-fetched. All of this could make going to school an extremely unpleasant and loathsome experience for White children. It is also only logical that Black principals would give preference to hiring Black teachers. "Blood is thicker than water," as the expression goes.

## The Open School and the Content of the Curriculum

As noted earlier in passing, there is currently heavy pressure being exerted on parents and decision-makers in the field of education to teach children of all racial groups together in the same classroom so that they can supposedly get to know each other better and learn how to better establish human relations. Furthermore, the integrationists also contend that if children from all ethnic groups are instructed in the same classroom, prejudices that are the cause of the separation between cultural groups will disappear. Prof Jacques Kriel of the University of the Witwatersrand goes so far as to allege that a just, free and peaceful community can only come into being if there is significant integration in education on the basis of free association (THE SUNDAY TIMES, 25 October 1985).

What obviously follows from this is that all curricula will have to be stripped of any particularistic references to culture, religious, ethnicity and historical actuality. Such a neutral, colorless, identity-less and confusing curriculum structure is absolutely unacceptable in pedagogic terms, and the experiments that are currently being undertaken in this sense will only lead to discord, rebellion and revolution.

The following examples serve as an illustration. The subject of history must be presented entirely differently. A move must be made away from one-sided and patriotically-oriented history towards equalized history instruction in which the Black-oriented view in particular must figure. Thus, for example, not only the heroes of one's own people must be dealt with, but also the heroes of the other peoples. The heroes of Blood River are thus primarily the brave Zulu warriors who fell, and their leaders such as Dingaan and others who fought courageously against the stupid Boers. The life and work of Nelson Mandela must be studied intensively, because he is currently one of the greatest living heroes. All of the children must come to realize the great deeds and the suffering that this hero has undergone in order to achieve freedom for the so-called oppressed people. History must be rewritten, which is in fact presently under way, so that emphasis is given to all important figures and not only, as in the case of the history of the settlement of South Africa, to Jan van Riebeeck or Simon van der Stel. The Bushman, Colored or Black leaders must be placed and treated on the same level as the figures named above.

The liberals and integrationists are convinced that if history is taught such that the students of a particular people develop national pride in and love for their own people, then this will offend others who do not belong to the same nation of people. Students from other ethnic groups then feel offended and hurt and as a result must be treated to their own history. This is even criticized and dismissed as being parochial. There should instead be movement in the direction of a general, colorless history that will satisfy all groups and not be offensive. It should be avoided at all costs that children identify with a particular ethnic group or people, because according to the "globalists," this brings with it estrangement and mutual dissension.

The liberalists and integrationists would also like to see the new history book that is now being prepared describe the Afrikaner and his history from the point of view of the English and of Blacks. According to this approach, the Great Trek is regarded as a highly insignificant event that merely disrupted the peace and quiet of the interior. In this view, the Trekkers were nothing but a bunch of complainers who were constantly fighting among themselves and were never satisfied where they were.

The intention of this view of history is quite obvious, namely, to rob the Afrikaner child of his identity by presenting the Englishman and the Black man as being worthy of imitation or depicting them as the leaders. SA television has already succeeded in elevating Buthelezi and Nelson Mandela to the status of great leaders, which makes one realize how much success the liberalists have already had in this area.

As far as the teaching of languages is concerned, not only must one's own mother language be taught, but also various Black languages and cultures, so that closer connections and ultimately integration can take place between the various nations of people. The Afrikaner's love of his language must be systematically broken down by impressing on the children that Afrikaans is not so much a White language as a Colored and Black language, since the majority of people who speak it are Colored and Black.

As far as instruction in mathematics is concerned, the boundaries of one's own people must be overstepped by using questions in which other ethnic groups serve as examples. Thus, for example, one might be asked how many Blacks live in Port Elizabeth and Windhoek. Now subtract the number of Blacks in the city in which fewer live from the city where most Blacks live. Examples like this can be multiplied ad infinitum.

#### General Integration

Open schools suggest school integration. School integration by necessity leads to social integration, family integration and the disaster of miscegenation. For the White man in general and for the Afrikaner in particular, it is vitally important that his racial purity and national identity be preserved, subject to the will of the Creator.

Open schools by necessity suggest open boarding houses. Students will have to attend the nearest school. This means that the boarding houses will have to be opened up to everyone. The boarding house is a substitute for the paternal home. The role of the parent in upbringing is continued and established here much more than is the case in the day school. It is thus a matter of family integration. The young, impressionable child (toddler) who gets a different upbringing at home with respect to maintaining his own identity (and this is taught to children, like it or not) is confused when practical existence forces him into integration. Miscegenation is the end result, be it over the course of 50 or 100 years.

### **Forced Integration**

The process of racial integration is like a water slide. Once you have started, there is no way to stop your downward course, and you are carried off into the pool of total bastardization and destruction. Part of this process is the transition from spontaneous integration to forced integration. In the United States, for example, children in some cities are transported by bus, and at great cost, from one suburb to another in order to ensure that there are White and Negro children in every school. A quota system ensures that Negro teachers are hired by schools and colleges without them having the necessary qualifications. The devastating effect of these measures on the discipline and the educational standards in schools in the United States is common knowledge. In Zimbabwe, state subsidies are refused to private schools that have less than a certain percentage of Black students, and in South-West Africa a minister in the so-called Transitional Government has also let it be known that he is in favor of this type of policy. Whites in South-West Africa have experienced forced integration through a law that prohibits the owners of hotels, restaurants, cafes, etc. from refusing access to their facilities on the basis of race or color. The 1986 decision by the South-West African Sports Council that every sports body must include in its constitution a provision that race and color play no role in accepting members constitutes another example of forced integration. Bodies that do not comply open themselves up to disciplinary action.

On 16 September 1986, the cabinet of the Transitional Government unanimously resolved that all schools must be open to children of all races beginning in 1987, including the White schools. A motion with the same purport was passed with a majority of votes by the National Assembly on 8 October 1986. The first step on the road to forced school integration in South-West Africa was thus taken.

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ANC VOWS FERVOR ON SOWETO ANNIVERSARY

Lusaka TIMES OF ZAMBIA in English 17 Jun 87 p 1

[Text]

THE oppressed South Africans will not be cowed into submission by Pretoria's military might. ANC secretary-general Comrade Alfred Nzo declared in Lusaka yesterday.

Cde Nzo who was addressing the 11th Soweto massacre commemorative meeting at Evelyn Hone College said the people's will to be free could not be suppressed by the racist army or police.

"The apartheid regime shall not cow the revolutionary fervour of our people. Instead it is gathering momentum until victory."

The fight against apartheid which sparked off the Soweto uprising in which more than 600 school children were killed in 1976 would be intensified.

"The ultimate objective of our struggle is the seizure of power by our people and for the achievement of this aim no sacrifice can be considered too great."

Secretary for administration of the UNIP Youth League Cde Isidore Mundungani said Zambia's support for the struggling people of South Africa was based on principle.

He described the situation in South Africa as

"bad" which called for the youth of Zambia to understand its implications.

In a message of solidarity SWAPO's youth league representative Cde Pandeni Shikomba accused the South African regime of deliberately spreading the killer AIDS virus in northern Namibia.

He said the aim was to depopulate the highly populated parts of the country "in the same manner that imperial Germany" did to the southern and central areas of Namibia.

"We have also learnt that carriers most of whom are foreigners in Namibia are sent to the northern part of the country to spread AIDS." Despite that SWAPO was undaunted, he said.

Soweto, outside Johannesburg was calm and quiet as tens of thousands of workers stayed home for the anniversary, report Zana/APP.

No buses or taxis were operating in the township and trains carrying commuters into central Johannesburg were running at only five per cent capacity, transport spokesmen said. The streets of the city seemed nearly empty during the early morning rush-hour.

A Soweto resident said there seemed to be an almost complete stay-away from work by the nearly two million people living in the township.

Many were expected to attend church and commemoration services held by black political organisations to mark one of the most important dates on the anti-apartheid calendar.

On June 16, 1976 police in Soweto clashed with a large crowd of schoolchildren protesting inferior black education and the use of Afrikaans, the language of the Afrikaners who dominate the white-minority government, as the medium for instruction in black schools.

A violent protest to the apartheid system of racial segregation soon flared in other parts of the country, at the end of 1976 some 600 people had died in Soweto alone during clashes with the police.

Despite the emotive remembrance with which June 16, is greeted each year, militant black youth groups have this year called for "the highest level of discipline and restraint". No violence had been reported from Soweto.

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## HIGH UNEMPLOYMENT LEADS TO CRIME

Lusaka TIMES OF ZAMBIA in English 17 Jun 87 p 1

### [Text]

THE high unemployment rate in Zambia is contributing to the rise in crime wave, Copperbelt Member of the Central Committee Comrade Rankin Sikasula admitted in Ndola yesterday.

Cde Sikasula, while applauding security forces for their efforts to combat crime, urged police to speed up screening applicants for vigilante groups to help contain the situation.

He said a provincial defence and security committee would meet soon to review the operations as the Party stepped up political and security consciousness among the public.

"There is no doubt the diminishing job opportunities in the country are contributing to the increased crime particularly on the Copperbelt."

The Party and its Government had worked out ways of livelihood for members of the vigilante

groups through the formation of cooperatives and small scale ventures.

Unfortunately the exercise was being held up by the slow rate at which police screened would-be vigilantes at headquarters in Lusaka.

A police spokesman said the process was a long one as the force had to ensure that applicants had no criminal records.

"But we are doing everything possible to return the forms back to districts as soon as the papers have been approved."

Cde Sikasula expressed disappointment at the poor

response from jobless to register at district governors' offices for repatriation to rural areas.

The Party and its Government would like to assist people not in employment to settle on the land and spearhead the agrarian revolution.

According to a Government Land Settlement Scheme Information booklet distributed to districts, there were 1.3 million unemployed persons out in Zambia of a total labour force of 1.9million.

Cde Sikasula said the jobless were free to settle anywhere not necessarily their original villages. "But the response so far had been disappointing."

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CSO, 3400/100

**RAW MATERIALS SHORTAGE IDLES PLANT**

Lusaka TIMES OF ZAMBIA in English 17 Jun 87 p 1

[Text]

**DUNLOP has stopped producing tyres and sent its 700 labour force, including some managers, on forced leave for lack of raw materials.**

The giant Ndola plant was virtually deserted yesterday as only 30 employees mostly administrative staff and a handful of engineering workers remained to dust and oil the idle machines.

The company closed last Friday because of lack of foreign exchange to bring in materials.

The closure has raised fears of shortage of tyres among transporters who are preparing for the crop haulage exercise which begins this weekend.

Yesterday managing director Mr Christopher Bleasie was locked in an emergency board meeting at the plant and a source said later the laid off managers had been summoned to a briefing today starting at 07.30 hours.

During the pre-auction period Dunlop closed down for 20 weeks in 1984 and for another 20 weeks in 1985.

When the Party and its Government suspended the auctioning of foreign

exchange in February this year the company laid off 250 workers on a weekly rotation basis because of insufficient raw materials.

Mr Bleasie told Minister of State for Commerce and Industry Comrade Mulondwe Muzungu when he toured the plant in March that the firm required between \$500,000 and \$600,000 a week for it to operate at full capacity.

The company won \$500,000 when the foreign exchange committee sat three weeks ago.

He told the minister that the company had large orders from abroad which it could not fulfil because it had to satisfy the local market before exporting.

But with the chronic shortage of raw materials the export drive was adversely affected.

Mr Bleasie said the company had not since August last year sold any tyres to the ZCCM. This was partly because of the on-off production and that the mines imported their requirements directly from Japan.

Dunlop was trying to negotiate for a new con-

tract to supply tyres to the mines.

It was possible to grow rubber in Zambia but this would take between eight to nine years before rubber could be bled from the trees, Mr Bleasie said.

During its sitting in July last year the tariffs commission which was appointed by President Kaunda quizzed Dunlop management on why after operating in Zambia for so long it should continue to import 90 per cent of its raw materials when the initial understanding was that it would optimise local inputs.

Mr Bleasie pointed out that the company was working in conjunction with the National Council for Scientific Research to put up rubber plantations in Chama, Kawambwa, Nchelenge and Kasama districts.

But one of the commissioners Mr Andrew Kashita said if the project had been set up during the 1970s Zambia would be growing as much rubber as Malawi. By now Malawi produces 250 tonnes of rubber a year.

EFFECTS OF DROUGHT REPORTED

Lusaka TIMES OF ZAMBIA in English 16 Jun87 p 5

[Text]

**AGRICULTURAL experts must find solutions to drought problems instead of engaging in theories.**

Minister of Agriculture and Water Development Comrade Fitzpatrick Chuula said peasant farmers should not be left at the mercy of God but should be assisted to improve their standard of living.

Experts should go into villages to identify problems and find answers for peasants as opposed to mere theorising.

During a tour of Chief Chona's area the minister expressed concern at the severe shortage of water because of broken down boreholes and dry streams.

Chief Chona told Cde Chuula that the situation was critical and his people walked long distances in search of water. Some boreholes had not been repaired for more than five years.

Area governor Cde Hatchwell Mwanamulando informed the minister that the council had bought some spare parts worth K10,000 to rehabilitate boreholes.

Cde Chuula commended the council and students at Monze college of agricul-

ture for being self-sufficient in food.

He was impressed to find that students were given a chance to participate in the running of the farm at the institution.

Earlier, principal Cde Thomas Mubita said the college was feeding itself and had some surplus to sell.

Last year the college harvested 1,390 bags of maize, and had at the moment 60 milking cows, more than 300 pigs, 238 sheep, 170 goats and 200 breeding cows.

• The Southern Province Cooperative Marketing Union will recover only 42 per cent of the K9 million given to farmers in loans last year because of drought.

The worst hit are the peasant farmers who depend on rain water and grow a single crop.

Acting deputy permanent secretary for Southern Province Comrade Chileshe Musaba said in an interview in Livingstone the union had problems in recovering loans from the 13,000 farmers.

The union meanwhile has decentralised its accounts offices in Kalomo, Choma

and Monze to speed up payment to farmers as some of them had not been paid for the past three years.

Cde Musaba said when funds and personnel became available the union would decentralise its offices in Mazabuka and Namwala and other districts.

The other problems were inadequate vehicles for supervision and increased prices of produce.

He said starting from this season, some selected primary cooperative societies would take over from the union certain marketing like buying, processing of produce and paying farmers.

Under the arrangement the union would make available to the societies the money required to pay the farmers.

It was the wish of the union and the Ministry of Cooperatives that primary cooperative societies took over from the union.

Cde Musaba said the most important factor in the improvement of payment to farmers would be the early and adequate funding which had to be guaranteed by the Government.

**END OF**

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